MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1982

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
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Subcommittee on Military Construction

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[Clerk's Note: Due to the highly classified nature of its content, the July 16 hearing on Middle East construction in support of the Rapid Deployment Force will not be printed. The transcript will, however, be retained in the subcommittee files.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1982

THURSDAY, MARCH 19, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room S-126, the Capitol, Hon. Paul Laxalt (chairman) presiding.

Present: Senators Laxalt, Garn, and Mattingly.

DEPARTMENT OF DEFENSE

INSTALLATIONS AND HOUSING

FAMILY HOUSING/QUALITY OF LIFE PROGRAMS

STATEMENT OF HON. PERRY F. FLIAKAS, DEPUTY ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND HOUSING)

ACCOMPANIED BY:

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V. B. BANDJUNIS, DIRECTOR, MILITARY CONSTRUCTION AND SPECIAL PROGRAMS

BUDGET REQUEST

Senator LAXALT. The subcommittee will come to order.

This morning the subcommittee begins its hearings on the fiscal year 1982 budget request for military construction and family housing. We will also be receiving testimony on the fiscal year 1981 supplemental request.

We are pleased to welcome as our witness Mr. Perry J. Fliakas, Deputy Assistant Secretary of Defense for Installations and Housing, who will provide the subcommittee with an overview of the request now before us.

AMENDED REQUEST

Let me make just a few remarks before we begin. The amended request now before us for fiscal year 1982 is for $8.1 billion. This is broken down into $5.8 billion for military construction and $2.3 billion for family housing construction and operation and maintenance. In addition, the supplemental package for fiscal year 1981 is a request for $35.2 million.

These amounts represent a sizable increase over the fiscal year 1981 enacted legislation, and I believe the request reflects the direction of the new administration to meet the needs of our military forces now and to begin the process to cut into the enormous backlog of valid requirements.

The subcommittee will consider some large and controversial programs this year—mainly the initial construction for the MX and construction in support of the rapid deployment force (RDF). These items, as well as specific service requests, will be discussed in detail as we hold hearings in these areas. However, the subcommittee will review carefully all projects before us to insure that the requirements are met and that the taxpayers' dollars are wisely spent.

OUTSIDE TASK FORCE

I might indicate to you that the Secretary of Defense has instituted an outside task force of objective, scientific business types to take a look at the various options and come back, probably in June, and then we have the problem with respect to this committee as to whether we will await the findings of that task force and defer hearings. The President feels we will probably travel the double track. Whatever the task force comes in with we will be able to pump in our perspective, the environmental concerns, but more important, the political input which is an essential part of that whole process, particularly the two Houses.

I think all of you should be on notice that we do intend at the appropriate time to hold extensive hearings on MX, not related to the missile itself. That is not part of our purview. We don't have the jurisdiction in this subcommittee. We will be dealing totally with the basing mode.

BUDGET BREAKDOWN

Mr. **Fliakas**. In that connection I am pleased to hear you say that you will proceed on what you call the double track. In this year's budget we will find some $366 million for construction of MX facilities of the current basing mode, recognizing that after June, if that changes, of course we will have to change the construction program as well. My direction from the secretary is to proceed on every possible initiative, including the award of architect-engineering contracts, so that it will not impact on the ultimate IOC date for the missile. There is funding in the 1981 program only for planning and design. In the 1982 budget for the first time we are seeking, on the basis of the present mode, some $366 million for construction.

Senator **Laxalt**. That is basically shelters?

Mr. **Fliakas**. Yes, sir, access roads.

Senator **Laxalt**. Both roads and shelters?

Mr. **Fliakas**. The main operating bases, not so much the shelters. Essentially the main operating bases and actually we are designing now the four main operating bases proposed in the initial plan.

Senator **Laxalt**. The money at this point will be planning and design?

Mr. **Fliakas**. In this fiscal year.

Senator **Laxalt**. Maybe moving to construction in 1982?

Mr. **Fliakas**. That is right.

INTRODUCTION OF WITNESS

Senator **Laxalt**. Today's overview from Mr. Fliakas will include the request for the defense agencies as well as the family housing account.

Mr. Fliakas, I see that you have provided the subcommittee with a detailed statement on the overall program as well as statements on the defense agencies and on family housing. All of these will be made a part of the record, and I understand that you will give a summarization on our statements to the subcommittee.

Again, let me welcome you, Mr. Fliakas, and assure you that as chairman I look forward to working with you to get this program started this year.

Senator Garn, would you to make any comments?

Senator **Garn**. I want to make this comment. I think the chairman complicates the MX issue. I think the way to solve it is to put it all in Nevada. You would have no problem with me at all. [Laughter.]

Senator **Laxalt**. It is going to be an interesting year. [Laughter.] Please go ahead.

Mr. **Fliakas**. Thank you, Mr. Chairman, and members of the subcommittee.

I am pleased to have the opportunity to appear before your committee today to present the Department of Defense fiscal year 1982 military construction program and to discuss some of its details and other construction-related matters affecting the facility resources and needs of the Department of Defense. This program now reflects the amendment submitted on March 10, 1981.

BUDGET CHANGES FROM PREVIOUS ADMINISTRATION

There are three major changes to the budget of the previous administration. The first of these is a reflection of a lower escalation rate than previously anticipated. The second assumes an anticipated savings to be achieved through revisions to current administrative practices under the Davis-Bacon and Services Control Acts. The third is an increase in the number of military construction projects and a concomitant increase in the total budget request.

BUDGET REQUEST

The request for fiscal year 1982, $8.1 billion for appropriations and $7.0 billion in authorization, represents a carefully balanced approach to the acquisition of new facilities required by changes in weapons, advancing technologies, national security policy, or other factors, and our continuing effort to upgrade or replace much of the substantial inventory of aging and obsolescent facilities.

PRIMARY CONCERNS FOR PROJECTS

As with past-year programs, it has evolved through a series of careful, detailed reviews of each project proposed by the Military Services. In those reviews, the primary concern has been to assure that the project is not only essential to meet a valid and urgent military need, but also represents the most cost-effective feasible method for achieving the objectives. Careful attention has been given to the development of a balanced level of facilities support for important new programs and initiatives such as M-X, Trident, the Indian Ocean/Persian Gulf access and deployment of other weapon systems, while continuing to meet essential needs of NATO and to maintain readiness in Europe, Korea, Japan and other overseas areas. We have also not neglected needed improvements for the quality of life for military personnel and their families, and defense commitments to high national priority requirements such as energy conservation and pollution abatement. The result is a carefully balanced DOD fiscal year 1982 construction program that will enhance the military posture and readiness of the Active Forces and their Guard and Reserve components.

EVENTS CHANGING MILITARY CONSTRUCTION PROGRAMS

The last several years have been marked by a number of rapidly changing events that have impacted dramatically on the military construction program. Coupled with other dynamic factors influencing our programs, the Department of Defense found it necessary to submit periodic amendments and/or supplementals to current program budget requests. Some of these are facility requirements associated with the Panama Canal treaty, the buildup in the Indian Ocean, access agreements with countries in the littoral Persian Gulf and Indian Ocean, force structure and weapon system deployments, fact-of-life adjustments necessitated by increased fuel costs, and unanticipated inflation. Accordingly, in addition to the normal submission of those years budget requests, we have had a fiscal year 1980 Supplemental, a fiscal year 1981 Amendment and Supplemental and a revised program submission for both fiscal year 1981 and fiscal year 1982 by the new administration. The Congress acted on some of these requests and chose on others to roll them in with consideration of the following year's program.

DECLINE IN DOD PHYSICAL PLANT

While the program this year is one of the largest in recent years, we feel it is more reflective of the needs of the Department of Defense than has been the case in recent prior years. Due to a series of contributing factors, the DOD physical plant is in an accelerating state of decline and is a matter of great concern. Much of it is the World War II vintage which means that many facilities still in use are obsolete and have far exceeded their planned economic life. A majority of our facilities are over 25 years old. Consequently, the physical plant has reached the stage where its various components are becoming obsolete faster than they are being replaced. This condition, coupled with inconsistent funding support during and since the Southeast Asia conflict has produced large facilities deficiencies in both construction and maintenance.

The inability to provide adequate facilities on a timely basis has many serious implications. Fundamentally, adequate operational and maintenance facilities are essential to equipment readiness and mission accomplishment. In a similar way, substandard training and quality of life facilities preclude optimum training, lower morale and severely inhibit reenlistment efforts. Further, worker interest, interest, initiative and productivity are reduced.

FACILITY DEFICIENCIES

Over the past several years, a concerted effort has been made to reduce the DOD facility deficiency to a manageable level. However, anticipated gains have been offset by several factors, namely: continuing construction cost escalation; compliance with national programs such as energy conservation and pollution abatement; impact of new weapons system acquisition on budgetary resources; funding constraints, and the increasing need to replace or modernize aging, obsolete facilities. We believe that a balanced and representative military construction program is vital to support the force structure worldwide and to protect and replace the physical plant of our Armed Forces.

On page 6 there is a summary of both appropriations and authorization requests for both 1981 and 1982. This provides a break by service as well as defense agencies.

We are concerned that the current total facility deficiency for the three military departments, the Guard and Reserve, and defense agencies is projected at $60.5 billion including $18.4 billion for the Air Force M-X missile program. The total deficiency of the three active military departments alone (exclusive of the M-X program) is $38.9 billion of which $17.4 billion represents replacement and modernization projects required to eliminate inadequate and overage facilities. Future progress in overcoming this substantial deficit will continue to depend primarily on two factors: an abatement in construction cost inflation and future increases in the amount of military construction budgets.

CONSTRUCTION PROGRAM FUNDING

Within the total requested program of some $8.1 billion, about $3.1 billion are allocated to construction within the United States, $.6 billion to general support activities, and about $2 billion to overseas construction. The overseas total includes $425 million as our cost share contribution to NATO Infrastructure. However, we are asking for only $385 million in appropriations with the remainder to be made up by recoupments. The balance, $2.4 billion, represents the military family housing resources necessary for construction, operations and maintenance, leasing and similar activities for support of family housing worldwide.

For the information of the committee and to provide further amplification of the various parts of our program, there are attached to my statement six enclosures. First is a reconciliation of new authorization to appropriations. Second is a summary of the proposed authorization programs by the major facility categories. Third is a more detailed description of the construction within the various facility categories. Fourth is a summary of the family housing authorization for appropriations. In the fifth are our responses to a number of questions and requests for reports contained in the Appropriation Committee reports on the fiscal year 1981 program. Other responses containing more detail have already been or will be forwarded to the committee separately. In the six and last enclosure is a more detailed summary of the fiscal year 1981 supplemental request.

Now I would like to address several important segments of this year's request which in the past have been a matter of interest to the Congress, and which we consider to be essential elements affecting our total program.

There follows, Mr. Chairman, in my statement some 17 topics which I commend to you and the committee but in the interest of brevity I will address only several of them.

CONSTRUCTION EXECUTION

The Department of Defense emphasizes the execution of the military construction program in the year for which funds are appropriated. It is our judgment that management of the military construction program by the services has been good during fiscal year 1980. This judgment is based on performance.

We have established an overall service performance execution rate of 90 percent of the program, excluding projects cancelled or delayed beyond service control. Performance for the last fiscal year was 1 percent short of our goal, caused in part by the late (November 30, 1979) enactment of the fiscal year 1980 military construction bills. Nevertheless, fiscal year 1980 performance of 89 percent compares favorably with the performance execution figures of 90 percent in fiscal year 1979 and 1978, 89 percent in fiscal year 1977 and 77 percent in fiscal year 1976.

In addition to the yearend goal, we have established intermediate goals to encourage award of the program in the early quarters of the fiscal year. This is essential in a period of high inflation because delay in "hitting the street early" means increased costs. Of course, early awards enable us to furnish required facilities to the user in a more timely and responsive manner.

Another indicator leading to our judgment that management of the military construction by the services in fiscal year 1980 has been good is our analysis of service efforts to control cost growth. Of those projects executed, there were only 51 projects which exceeded the program authorization by more than 25 percent, and thereby required cost variation approval by the Congress. This compares with 46 such projects in fiscal year 1979. Our analysis of the above mentioned 51 projects shows that unanticipated inflation was the primary factor for cost growth in these projects.

CONSTRUCTION IN EUROPE

This continues to command a major portion of our total construction request. I will, of course, cover this in more detail in my separate statement on construction in Europe and NATO Infrastructure but I would like to say that the Department of Defense continues to make significant progress in addressing the concerns of the Congress in this very important area with particular emphasis on initiative and innovation.

For fiscal year 1982 some $1.125 billion in authorization and $1.094 billion in appropriation are required to support the operational objectives of the United States and major NATO commanders. Included is $425 million in authorization and $385 million in appropriation for the U.S. contribution to the NATO infrastructure program. The difference, $40 million, will be provided through recoupment of funds from previously prefinanced projects. This represents a substantial increase over the $300 million authorized and $250 million appropriated in fiscal year 1981 and reflects the proportionate share it is estimated that the United States will incur in fiscal year 1982 against the approximately $2.8 billion infrastructure program backlog. A significant factor which was considered in developing this year's request is the improved rate at which the host nations are approving large infrastucture projects. This accelerated rate has caused a concomitant increase in requirements for the United States to pay its share of such projects. As you know, the U.S. contribution to this common funded program is 27.42 percent.

There is one prefinanced project in this request. The Air Force is requesting $24 million for mission essential facilities for colocated operational bases. As I have indicated in prior years' testimony, we will limit the practice of perfinancing to a very selective number of projects and only when absolutely necessary and required to meet operational commitments.

INDIAN OCEAN PERSIAN GULF CONSTRUCTION

As noted last year, our national interests are inextricably tied to the Indian Ocean/Persian Gulf region of the world. Because of congressional and DOD concern, comprehensive review of the strategic and tactical concepts required in this volatile area have been conducted by the Joint Chiefs of Staff. The reviews defined our overall planning and policy objectives which have now been incorporated into a multiyear construction plan. As required, a copy of this plan has been forwarded to your committee. The plan requires extensive construction facilities in various countries throughout the region in order to support the rapid deployment force concept and to improve the operational readiness of our forces in the area. In fiscal year 1981, $236.9 million was provided, including a special contingency fund of $105 million for Indian Ocean/Persian Gulf construction which has been applied to projects in Oman, Kenya, and Somalia. The $472.6 million requested in this budget provides for additional construction in these countries but also includes needs in Diego Garcia and Egypt. Appreciating the almost complete lack of supporting facilities in the region and the necessity to provide online facilities as quickly as possible, the Department developed a construction policy which provides for preference to U.S. firms in order to ensure a dependable, technically proficient and responsive regional construction capability.

Senator **Laxalt**. We don't have any NATO type restriction then in these particular projects?

Mr. **Fliakas**. That is correct, sir. We have had difficulty but we finally got the State Department and Commerce Department to concur in this American preference policy, as we call it. There was some opposition and some protest by some NATO countries but we have invited their attention to the fact that in essence this is a unilateral effort. We, of course, welcome their support and presence in the area but we find no particular problem with this policy. The Congress, of course, has urged this. There has been considerable interest expressed by the industry. I have met with them many times and with members of Congress. We finally developed this policy that was coordinated.

Senator **Laxalt**. This won't mean that the NATO contractors will be excluded from the projects?

Mr. **Fliakas**. What we have established is that where the construction agency can determine competition among American firms, expressed interest in competition by Americans, then we will award only to American firms. However, many of our agreements, particularly with Oman, require that host nation contractors and subcontractors also participate. So, we encourage American firms to joint venture with host nation firms.

Senator **Laxalt**. When you come with the request that you are making here are we to assume for the purpose of this subcommittee that everything has been cleared with State, we are traveling the same path?

Mr. **Fliakas**. Yes, sir.

Senator **Laxalt**. All arrangements with host countries have been worked out to their satisfaction?

Mr. **Fliakas**. That is right.

Mr. **Laxalt**. Before we take a look at it.

Mr. **Fliakas**. That is right.

Senator **Laxalt**. We have no conflict with State when we pass on these contracts.

Mr. **Fliakas**. That is right. Many of these agreements have been in accord with a previous aide-memoire defining facility requirements and assistance. It does include other things that I am not involved in personally, such things as foreign assistance and economic assistance. From a facility standpoint these have been cleared with the countries and with the State Department. Yes, you may be assured that everything is correct.

CONSTRUCTION IN SAUDI ARABIA

Senator **Laxalt**. Have we anything worked out with Saudi Arabia at all at this point?

Mr. **Fliakas**. I hesitate to go into too much detail in open session on that. There is no military construction requested for that country.

I might say we have a high degree of confidence that the construction program for the Indian Ocean/Persian Gulf has been carefully planned and programed to provide needed facilities and will be constructed in a manner responsive to the needs of the operating forces and to our national interest.

I might add, Mr. Chairman—maybe I did not give you a complete answer with respect to the American preference—if a construction agency determines there is insufficient competition among American firms, then they will go international. This will apply to only those projects that are $5 million and over, recognizing that for anything less than that, probably American companies could not compete in that country.

ASIAN CONTRACTORS

Senator LAXALT. What is the number of Asian contractors who can deal in these areas? Are they rather small?

Mr. FLIAKAS. I would say they are rather significant.

Senator LAXALT. Are there a number of domestic contractors who competitively deal in areas like the Persian Gulf?

General O'SHEI. We certainly have a highly developed infrastructure of American companies that are quite accustomed to working overseas. The percentage of the industry involved would certainly be a minority of the industry but they are large companies.

Senator LAXALT. How about contractors that are not the biggies? What type of notification do they have to get involved in this process?

General O'SHEI. The normal way of participating with a relatively small company would be as a joint venture partner.

Senator LAXALT. They would have to cut a deal on this side?

General O'SHEI. Yes, sir. That is routinely done.

Senator LAXALT. Basically the same process we are anticipating for MX?

General O'SHEI. Yes, sir.

Mr. FLIAKAS. We invite participation by the industry. I meet regularly with them, chastise them for not showing greater interest in government work. For example, our bid experience shows it is a little better. In 1980, for example, we were up to an average of six bids per project. We would like to think—this is only in the United States—we would like to think that we could get better competition than that. That is of course as a result of the construction downturn in the private sector.

Senator LAXALT. That is what I have in mind. Because of the depression we have in the economy so far as these lesser contractors it seems to me there should be a fairly good back-up.

Mr. FLIAKAS. We have made them aware of it.

Senator LAXALT. No problem on notification?

Mr. FLIAKAS. No, sir. I was going to give as an example the Navy putting together a package for Diego Garcia for a cost-plus-fixed-fee type contract. Over 16 firms, including many joint venture type proposals, were screened, preselected, for qualification for that project. There has been great and wide interest.

GSA SUPERVISION OF CONSTRUCTION PROGRAMS

Senator MATTINGLY. Following up Senator Laxalt's comment about construction in the private sector, on military construction is GSA still supervising such construction?

Mr. FLIAKAS. No, sir. With respect to military construction we have two construction agents, Corps of Engineers and the Naval Facilities Engineering Command, who do all of the military construction for us. GSA, of course, primarily is involved in an administrative status, Federal office buildings and really primarily in leasing rather than building.

Senator **MATTINGLY**. I know they supervise some construction in Treasury in the law enforcement area.

Mr. **FLIAKAS**. That is right, for other Federal agencies they do but not for military construction. We do our own supervision. We have that capability, primarily because a good part of it is overseas as well as in the United States. Almost $2 billion of this program is overseas. In the United States the Corps of Engineers and the Naval Facilities Engineering Command are organized in districts throughout the country. They handle that work directly with the industry through those districts.

Senator **MATTINGLY**. Thank you.

CONSTRUCTION IN THE PACIFIC

Mr. **FLIAKAS**. With respect to construction in other parts of the Western Pacific, construction in the Pacific of late has been assigned a somewhat lower priority in deference to the need to address urgent facilities requirements in Europe and the Indian Ocean/Persian Gulf areas. However, while those areas continue to receive major consideration, the fiscal year 1982 construction requirements in the Pacific total approximately $425.1 million and therefore represent a significant element of the total program.

As might be expected, the greatest emphasis has centered in Korea for which $149.4 million has been requested. Of this amount $62.3 million has been programed by the Army to continue efforts begun last year to undertake extensive construction in light of the announced reassessment of the Second Division withdrawal. Similarly, the remaining $51.3 million has been programed by the Air Force in an effort to enhance its operational capabilities in that area. The Defense Logistics Agency has programed $29.0 million to construct POL tankage, and two dependent school projects for $6.8 million are programed in Korea.

Construction is also being requested in the Republic of the Philippines totalling $29 million. The balance of the requirements in the Pacific are located in Hawaii, Alaska, which we have included as part of the Pacific because of its mission, Marianas, Wake Island, Kwajalein, and New Zealand. Highlighted in the acquisition program is the leasehold interest in 18,000 acres of land originally agreed to in 1975 as part of the covenant to establish a Commonwealth of the Northern Marianas Islands.

QUALITY OF LIFE

I would like to mention a few words about the quality of life in the Armed Forces from a facility standpoint. Quality of life embraces a range of programs and individual projects designed to create an environment which recognizes that our Armed Forces personnel are our most important asset. The human dimension of military service—the job, living, and recreational conditions of service life—is generally regarded as a highly pertinent variable in the recruitment, retention, discipline, morale and readiness of military members.

Satisfactory and serviceable facilities are, of course, a prerequisite to adequate working conditions, housing, medical care, educational, religious, recreational, and other programs necessary to support the military community.

Mr. Chairman, I have traveled extensively throughout our installations. There is nothing more disconcerting than to see very expensive equipment, tanks, for example, up to their tracks in mud with no hard stands, no maintenance shops, they cannot lift the power pack because they have no overheard cranes. Soldiers are trying to maintain these out in the cold and mud and they know that, No. 1, the equipment is not being maintained properly, and, second, they are not getting adequate training themselves. So we desperately need, particularly in Germany, additional maintenance shops, substantial hard stands and other improvements affecting the work area of the military member.

Senator **Laxalt**. Why don't they get paved?

Mr. **Fliakas**. Primarily because of the 1-year attitude. We have been in Germany now over 30 years inheriting many kasserns from the Germans. Some date back to Bismarck days. We have had many programs over the years, including some participation by the Germans, offset programs where they have provided numbers of facilities in support of this.

They have deterioriated. Some of them are converted horse stables where we are trying to maintain tanks. I certainly commend to you and the committee to travel to these areas and see some of the conditions.

I visited last year some of the remote sites in Turkey. It is really deplorable. Certainly the morale is high. We have outstanding military people and leaders in those areas but the facilities are so poor we wonder how we can maintain the spirit of our people. It does not take much. Perhaps a gymnasium or upgrade of barracks or a theater, that kind of thing. Largely as a result of my visit both the Chiefs of Staff of the Army and Air Force have programed additional facilities now for Turkey.

PROVISIONS FOR UPGRADING FACILITIES IN 1982

Senator **Laxalt**. Have we made provisions for that sort of thing in 1982?

Mr. **Fliakas**. Yes, sir. Maybe I would be more honest in answering your question another way. I recognize that this is a difficult proposition for us as well as for the Congress. The attitude has been also to seek more burden sharing, get the Germans to pay more. After all we are there and have our people there. It is national policy of course and in our interest to have troops stationed overseas. They contribute in many other ways. As a matter of fact in response to the Levin amendment there has been prepared a report that specifically addresses burden sharing with the NATO allies and Japan which I commend to you.

GERMAN ASSUMPTION OF ECONOMIC BURDEN

Senator **Laxalt**. Are we having significant progress in our particular area in Germany in Germany's assumption of the additional burden economically?

Mr. FLIAKAS. Last November there was a demarche that was tabled with the FRG that listed eight initiatives. I think five or six of those eight are facilities related. One of them of course has to do with considering the malpositioning of our forces in Germany and would provide for the relocation of some of our brigades north and east which would require substantially new facilities. We are trying to interest the Germans to support this and in exchanging ultimately—and it is a long-range program, cannot be done overnight—giving up what we consider to be valuable property in urban areas that we now occupy in Germany. This was very successfully done, as you may know, in Japan where there have been hundreds of millions of dollars provided to us for new facilities, for the construction for our forces. In the Kanto Plains area we gave up valuable property around Tokyo that can be used for commercial purposes. We gave up new facilities and it solved their encroachment and urbanization problem around the Tokyo area. The same thing happened in Okinawa. We think it will work.

One of those eight items that were tabled last November was this master restation plan, family housing, and upgrading of facilities. The new administration was informed to see what their reaction was. The State Department and Secretary Eagleberger prepared a paper for Secretary Haig and the President in conjunction with the visit of the Foreign Minister a week or 10 days ago and this was brought up again. The Germans did express interest and support of all of these initiatives and hopefully downstream will be engaged in discussion with them on those subjects. In the meantime we have of course the NATO infrastructure program and the military construction program that has been brought into tandem. We are looking at those in relation to all of these issues.

As I say, Mr. Chairman, the fiscal year 1982 construction program addresses some of these shortfalls by recognizing that improved morale and retention of skilled personnel in the Armed Forces depend on relatively more attention to quality of life issues. For example, the 1982 construction authorization program contains $185 million for 64 community facility projects. We all understand that frequent reassignment, unaccompanied tours, long periods of sea duty, irregular working hours and training exercises as well as deteriorating purchasing power and a significant number of working spouses in the military have all combined to necessitate more and better family services, child care, and youth activity programs.

FAMILY HOUSING PROGRAM

I would like to mention briefly the family housing program. The 1982 program does include construction and acquisition of about 2,100 new units at a cost of $168 million in support of new missions or families assigned to installations in tight housing markets. Of the units, 676 are in overseas areas. Economic analyses indicate it is more effective to build or acquire versus leasing.

UNACCOMPANIED PERSONNEL HOUSING

With respect to unaccompanied personnel housing—we used to call them bachelors. We cannot refer to them as bachelors any more because that is considered a sexist term. We now call them unaccompanied personnel, we had to revise all our manuals, publication, and strike out those kind of sexist terms—the program for barracks, if you will, construction, amounts to $414 million. The proposed program for modernization and new construction will provide about 26,000 adequate spaces, including almost 15,000 spaces for CONUS installations and 11,000 in overseas areas.

OVERSEAS DEPENDENTS

Senator **Laxalt**. We were talking about priorities around here. We have heard it discussed that we spend a lot of money that perhaps we needn't have for families going overseas. Are you redirecting the program and precluding them from going? Is that part of your overall consideration or is that somebody else's part?

Mr. **Fliakas**. I watch it very carefully but I don't have an input in it. The limits on dependents overseas, as proposed by Senator Stennis and the Congress, has caused considerable concern in the Department of Defense. It is very difficult to keep these kids from bringing their dependents on their own, noncommand sponsored, if you will, bring their families and their children with them. They arrive whether sponsored or not. Of course the controls are in effect and we are living with those. But I know that it does constitute, and I may not be competent to discuss the particulars of this, but because of the various skill levels and MOS's, especially in the Army, they find it very difficult on a short tour basis to maintain their skill levels in quantity necessary for the units in Germany. So, they recommend longer tours and of course with longer tours is the accompaniment of the dependents. That is a serious issue, one that I know is of great concern with respect to the evacuation plans, care for dependents, schools for them, dependents' schools. We have a number of dependents' schools and a significant program for building schools. I will be happy to arrange a meeting with our military personnel policy people with respect to that issue.

DRUG PROBLEMS

Senator **Garn**. Could I interject a throught here? The other side of the coin here is the increased drug problems, behavioral problems; and all sorts of other things, particularly with respect to their adverse impact on readiness and performance. A long time ago I was one of those who was sent to Japan without my family. I was not willing to do this, so I took my wife and one child at that time to Japan at my expense. I was not going to live away from them for 1 year. It wasn't worth it. I am one of the guilty ones who did that 25 years ago. The pattern has not changed in that 25 years. It was amazing to me the differnce in performance disposition in my squadron of those of us who did take our families. I don't know where you start drawing the cost-benefit analysis. I just know there are a lot of other problems, the costs of which can't always be quantified. You can show it takes a lot of money and facilities. I don't know how you can show the exact number of dollars and how much you are losing on the other side of the coin.

Mr. **Fliakes**. That is very true, Senator Garn. The people that I have talked with, and I have very close working relationships with the military personnel policy people, state unequivocally that morale is far better and the situation is far better when those people have their families with them.

ON-BASE/OFF-BASE BILLETING OF MARRIED PERSONNEL

Senator Mattingly. What percent of the military personnel who are married live on base versus off base?

Mr. Fliakas. Sir, we are a very large landlord. We have almost 400,000 units of family housing worldwide. Our marital rate of course has been increasing. That is a phenomenon that has in the last 10 years, 15 or 20 years perhaps, really caught up to us and the marital rate is well over 55 percent for all military. Of course in the upper grades it is up to 75 and 80 percent.

Senator Mattingly. Do you have any figures on that though?

Mr. Fliakas. Yes, sir. I was going to say that our married population is about 1.1 million out of the 2.1 million in uniform. A little over a third of our people live on base. I cannot give you a simple answer because again a lot of people, particularly in the last 5 years, have chosen a desire for participation in home equity, much as their civilian counterparts, and have wanted to move off base.

Senator Mattingly. That is the other part I am getting to. You are subsidizing, or however you want to refer to it, when they live off base.

Mr. Fliakas. Well, they draw their allowance.

ON BASE/OFF BASE COST COMPARISONS

Senator Mattingly. Have you done any analysis over a period of time whether it is cheaper for them to live off base or cheaper for us to build the houses to live on the base.

Mr. Fliakas. Our policy with respect to housing is to rely on the private sector in the community to shelter our military families. We have a mandatory assignment policy. I establish goals for our commanders of the services to maintain at least 98 percent occupancy of the on-base inventory. Each commander can establish for his purposes what he considers to be the essential part of his complement that he must have on base. Normally, military necessity dictates only the fire marshal and the people who are on readiness and that kind of thing, but other than that, housing normally is desirable on base because for one thing although they forfeit their allowances when they live on base, normally they are within the range of all the military community, the commissary, recreation facilities, and therefore they only need one car. On the other hand, as I indicate, many people now, particularly with the advent of the variable housing allowance the Congress provided last year, are showing a desire to move off base, their allowances, buy homes and primarily because of the investment and home equity that their civilian counterparts enjoy. So, we are beginning to see now in the analyses that we make, that some bases show an inability to maintain occupancy. I have to watch it very carefully. Over the next few years we certainly don't want to overbuild. You will find that in our programs that we are requesting most of the housing that has been proposed for on-base construction is in areas where the community just does not provide housing. This is not a problem just for the military. The whole Nation has failed to provide low and moderate income housing.

Senator **Mattingly**. We have a slight problem with the interest rates but I won't get into that. Is there any other subsidy than the allowances?

Mr. **Fliakas**. No, sir. They draw what they call basic allowance for quarters and variable housing allowance. If they live on base they forfeit it.

Senator **Mattingly**. You don't have an analysis of whether over the long term it is cheaper for that married man to live on base versus for us to give allowances? You don't have any figures, is that right?

Mr. **Fliakas**. Let me ask Mr. Meehan.

Mr. **Meehan**. As the compensation system changes over the years the different values will change, obviously. At some point in time, it has been a little more expensive to have the individual on post as opposed to giving the individual his housing allowances. Now with the variable housing allowance the pattern has changed. Overall it is cost effective to provide housing on post. If we don't provide housing we give him the basic allowance for quarters, and variable housing allowance, and so forth, and they are significant allowances. Again it depends on the location and the type of house. We don't have standard houses per se. Our houses for any specific rated individual can vary significantly in value per year.

Mr. **Fliakas**. Just to give you a feel for some of the allowances, for an E-6 let us say, sergeant, in the Washington, D.C. area, his basic allowance for quarters is $3,060. For variable housing allowance it is $1,530. So the E-6 will draw almost $4,600 in allowances if he does not live on base. That in fact is free. When you figure in the compensation the tax advantages of those allowances being non-taxable there is an additional amount.

Senator **Mattingly**. I would like to ask Senator Laxalt when I was elected why didn't I get that allowance.

Senator **Garn**. You did not get moving expenses either.

MEDICAL FACILITIES REQUEST

Mr. **Fliakas**. I will mention quickly our request for medical facilities. The budget does include $435 million for medical facilities. There are a number of major hospital projects in this year's program that we feel are necessary. The outyears of the DOD 5-year program continue to address major deficiencies of our medical hospital facilities. We will include construciton of new and modification of existing hospitals to meet changing support requirements, medical missions, life and electrical safety compliance, and needed troop medical and dental clinics.

ENERGY CONSERVATION AND INVESTMENT PROGRAM

Now I would like to quickly cover the energy conservation and investment program. This is the seventh year of this progressive program to reduce energy consumption in all of our existing buildings and utilities systems. The program is designed to accomplish cost effective retrofit work in older facilities to lower energy-use levels and to achieve significant savings in utility costs.

In order to achieve a 20 percent decrease in energy use in existing facilities by 1985, we extended the energy conservation investment program to fiscal year 1984 at a total cost of about $1.5 billion. We believe this total program cost estimate is valid. In the past 6 years Congress has authorized and appropriated $869 million for this work. This year, an authorization of $223.1 million and an appropriation of $223.7 million (including $44.9 million for family housing) are requested for this important program. As retrofit solutions continue to become more complex, we expect requirements to increase to a peak of about $275 million by fiscal year 1983. The average amortization period to date is about 5 years and the fiscal year 1982 program payback is estimated at less than 5 years. The resultant energy cost avoidance is estimated to be over $200 million in fiscal year 1982. We continue to give high priority to the energy conservation effort not only to achieve compliance with administrative and congressional directives but also decreased dependence on fossil fuels produces improved facility readiness and avoidance of facilities operations costs.

As I indicated Mr. Chairman I will not discuss further the MX and the Trident Missile Systems. There is $366 million for the MX and $101 million for the Trident. Both the Air Force and Navy will be prepared to discuss these strategic programs in detail.

BASE REALINEMENTS

Finally, I would like to say a few words about base realignments.

Knowing the Congress' interest in actions affecting Department of Defense installations, I would like to say at the outset that at this time we are not preparing any new base realignments or closure package. However, this does not rule out the possibility of a package being developed later this year after the new administration has formalized its budget projections for future years. With regard to our actions on the previously announced proposals, these are continuing.

CONCLUSION

In conclusion, I am appreciative of this opportunity to appear before you today to present the Department of Defense fiscal year 1982 military construction program, and to discuss subjects in the construction, housing and installations areas which are of interest to your committee. This is a very vital part of the overall defense program budget. I have attempted to provide you with a comprehensive outline of our continuing efforts to achieve a strong base structure which will measurably contribute to the readiness of the total force. We express our appreciation for the understanding and support of this committee which has been so helpful in past years.

Thank you, Mr. Chairman.

PREPARED STATEMENT

Senator LAXALT. Thank you, Mr. Fliakas. We will insert your prepared statements in the record at this point.

[The statements follow:]

PREPARED STATEMENTS OF PERRY J. FLIAKAS
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(INSTALLATIONS AND HOUSING)

Mr. Chairman and Members of the Committee:

I am pleased to have the opportunity to appear before your Committee today to present the Department of Defense Fiscal Year 1982 Military Construction Program and to discuss some of its details and other construction-related matters affecting the facility resources and needs of the Department of Defense. This program now reflects the amendment submitted on March 10, 1981. There are three major changes to the budget of the previous Administration. The first of these is a reflection of a lower escalation rate than previously anticipated. The second assumes an anticipated savings to be achieved through revisions to current administrative practices under the Davis-Bacon and Services Control Acts. The third is an increase in the number of military construction projects and a concommittant increase in the total budget request.

The request for FY 1982, $8.1 billion for appropriations and $7.0 billion in authorization, represents a carefully balanced approach to the acquisition of new facilities required by changes in weapons, advancing technologies, National Security policy, or other factors, and our continuing effort to upgrade or replace much of the substantial inventory of aging and obsolescent facilities.

As with past-year programs, it has evolved through a series of careful, detailed reviews of each project proposed by the Military Services. In those reviews, the primary concern has been to assure that the project is not only essential to meet a valid and urgent military need, but also represents the most cost-effective feasible method for achieving the objectives. Careful attention has been given to the development of a balanced level of facilities support for important new programs and initiatives such as M-X, TRIDENT, the Indian Ocean/Persian Gulf access and deployment of other weapon systems, while continuing to meet essential needs of NATO and to maintain readiness in Europe, Korea, Japan and other overseas areas. We have also not neglected needed improvements for the quality of life for military personnel and their families, and Defense commitments to high national priority requirements such as energy conservation and pollution abatement. The result is a carefully balanced DoD FY 1982 Construction Program that will enhance the military posture and readiness of the Active Forces and their Guard and Reserve Components.

For FY 1982 the Department of Defense Military Construction and Family Housing Program request totals $7,028,842,000 for authorization and $8,147,088,000 for appropriations. The main differences between these amounts, about $1.1 billion, are attributed to planning and design and defense access roads which will be funded under permanent codified authorizing legislation, funding of projects authorized in prior years, funding for debt principal retirement, prior year construction funding shortfalls, and projects previously requested for full authorization but with phased funding. A full reconciliation of these differences is provided in the Appendix to this statement.

The last several years have been marked by a number of rapidly changing events that have impacted dramatically on the military construction program. Coupled with other dynamic factors influencing our programs, the Department of Defense found it necessary to submit periodic amendments and/or supplementals to current program budget requests. Some of these are facility requirements associated with the Panama Canal Treaty, the build-up in the Indian Ocean, access agreements with countries in the littoral Persian Gulf and Indian Ocean, force structure and weapon system deployments, fact-of-life adjustments necessitated by increased fuel costs, and unanticipated inflation. Accordingly, in addition to the normal submission of those years budget requests, we have had a FY 1980 Supplemental, a FY 1981 Amendment and Supplemental and a revised program submission by the new Administration. The Congress acted on some of these requests and chose on others to roll them in with consideration of the following year's program. I will try to summarize:

For FY 1981, as amended, the Department of Defense requested appropriations in the amount of $5,531,900,000 and $112,110,000 as a supplement to the FY 1980 program. Supplemental appropriations, mainly for planning and design, were approved in the amount of $43,500,000. Actual appropriations enacted for FY 1981 totaled $5,224,700,000. Thus, the FY 1982 appropriations request reflects an increase of some $2.6 billion above the FY 1981 amounts requested and $2.9 billion more than the amounts enacted.

With respect to the authorization requests for FY 1981, as amended, the Department of Defense requested $5,515,200,000 and $23,500,000 as a supplement to the FY 1980 program. The authorizing committees chose not to act separately on the supplemental request to accelerate construction on Diego Garcia and directed that Navy use its emergency construction authority for this purpose. Actual enactment totaled $5,530,004,000. Thus, the FY 1982 authorization request reflects an increase of some $1.5 billion above the FY 1981 amounts requested and enacted.

Also, with submission of the FY 1982 program, additional appropriations are being requested for FY 1981 for shortfalls in planning and design, construction, and for family housing in the total amount of $352,300,000. Of this total, $151,000,000 is for planning and design. The components are experiencing an acute shortage of planning and design funds. The Department of Defense does advance planning and design and begins design of a construction project prior to the project being included in the annual military construction program. This approach assures better project definition, more accurate cost estimates, and enables us to execute the project promptly, once the Congress authorizes and funds it. This concept of project development is authorized, in fact insisted upon, by the Congress. However, because of a number of reasons, DoD is currently in an underfunded position in the planning and design account. The shortfall is the result of the trade-off of FY 1981 planning and design funds for Rapid Deployment Force construction; the reduction by the Congress of the FY 1980 supplemental request for planning and design; the late addition of facilities in Egypt in the construction program without commensurate design resources; and shortages caused by Congressional construction project additions to the FY 1981 request. Further, some advanced developmental facilities such as the Space Transportation System (Space Shuttle) and the High Energy Laser have far exceeded estimated costs in the planning and design stage. The balance of the supplemental request, excluding family housing, for the Active Forces and Guard and Reserves total $107.0 million for construction and $35.1 million for purchase indices reductions. For FY 1981 shortfalls in family housing we are requesting $129,538,000. This is comprised of $18,000,000 for construction projects authorized in FY 1981 for which funds were not appropriated, $17,938,000 to cover the cost of a 9.17% unbudgeted pay increase effective October 1, 1980, $53,600,000 for operations as a result of congressional reductions, and $40,000,000 to augment essential maintenance of our sizable inventory. Specifically, the $53.6 million for operations excludes a $24 million savings consistent with the President's economic recovery plan which anticipates lower inflation rates from the previous inflation forecast.

While the program this year is one of the largest in recent years, we feel it is more reflective of the needs of the Department of Defense than has been the case in recent prior years. Due to a series of contributing factors, the DoD physical plant is in an accelerating state of decline and is a matter of great concern. Much of it is of World War II vintage which means that many facilities still in use are obsolete and have far exceeded their planned economic life. A majority of our facilities are over 25 years old. Consequently, the physical plant has reached the stage where its various components are becoming obsolete faster than they are being replaced. This condition, coupled with inconsistent funding support during and since the Southeast Asia conflict has produced large facilities deficiencies in both construction and maintenance. The inability to provide adequate facilities on a timely basis has many serious implications. Fundamentally, adequate operational and maintenance facilities are essential to equipment readiness and mission accomplishment. In a similar way, substandard training and quality of life facilities preclude optimum training, lower morale and severely inhibit reenlistment efforts. Further, worker interest, initiative and productivity are reduced.

Over the past several years, a concerted effort has been made to reduce the DoD facility deficiency to a manageable level. However, anticipated gains have been offset by several factors, namely: continuing construction cost escalation; compliance with national programs such as energy conservation and pollution abatement; impact of new weapons system acquisition on budgetary resources; funding constraints, and the increasing need to replace or modernize aging, obsolete facilities. We believe that a balanced and representative military construction program is vital to support the force structure worldwide and to protect and replace the physical plant of our armed forces.

The following tabular summaries compare the authorization and appropriation requests for the Active Forces, Guard and Reserve Forces, the Defense Agencies, NATO Infrastructure, and the Family Housing Program, for both Fiscal Years 1981 and 1982.

Department of Defense

Appropriations-($ Millions)

	FY 1980S Request	FY 1981A Request	FY 1980S Enacted	FY 1981 Enacted	FY 1981S Request	FY 1982A Request
Army	$ 4.0	$ 911.1	$ 1.0	$ 857.8	$ 34.4	$1,099.7
Navy	42.5	763.6	21.5	775.3	27.9	1,477.8
Air Force	24.7	918.8	7.0	861.1	124.1	2,225.4
Defense Agencies	--	235.7	--	245.6	29.9	354.1
NATO Infrastructure	--	300.0	--	250.0	--	385.0
Guard/Reserve Forces	--	206.7	--	227.0	6.5	236.2
Family Housing and Homeowners Assistance	40.9	2,196.0	14.0	2,007.9	129.5**	$2,368.9
TOTAL	$ 112.1	5,531.9	$ 43.5	$5,224.7	$ 352.3	$8,147.1

Authorization-($ Millions)

	FY 1980S Request	FY 1981A Request	FY 1980S Enacted	FY 1981 Enacted	FY 1981S Request	FY 1982A Request
Army	$ --	$ 843.3	$ --	$ 879.5	$ 1.8	$ 849.6
Navy	23.5	966.0	--	989.7	2.0	1,175.3
Air Force	--	737.7	--	716.3	56.1	1,680.9
Defense Agencies	--	293.9	--	287.6	.9	326.1
NATO Infrastructure	--	300.0	--	300.0	--	425.0
Guard/Reserve Force	--	178.3	--	200.0	6.5	203.0
Family Housing and Homeowners Assistance	--	2,196.0	--	2,156.9	16.0	$2,368.9 *
TOTAL	$ 23.5	$5,515.2	$ --	$5,530.0	$ 83.3	$7,028.8

*Authorization for appropriations.
**Includes $17.9 million requested in pay supplemental.

As mentioned earlier, the FY 1982 program reflects a carefully structured mix of new requirements and a measured advance toward our goal of modernizing or replacing many of the older structures in the inventory. The division between these major categories is roughly 73 percent devoted to support of current missions and new requirements, and about 27 percent allocated to replacement and modernization. While we would prefer a greater emphasis on the replacement and modernization program in FY 1982, we must consider many other competing priorities within the total matrix of requests.

Inflation in the construction industry continues to be one of our main concerns although it has recently risen less rapidly than the consumer price index. Our ability to predict construction costs two years in advance has been severely hampered by the combined effects of petroleum prices, fluctuations in interest rates, currencies, variable demand and other factors which we cannot control or influence. Fluctuations in the value of the dollar compared to foreign currencies also continue to have a large affect on our overseas program. In pricing the FY 1982 projects, we have assumed that construction costs will rise 7.2 percent during FY 1981 and 6.8 percent for FY 1982. We believe that this will be sufficient to assure that the large majority of Defense projects will be awarded within the requested appropriations.

The current total facility deficiency for the three Military Departments, the Guard and Reserve, and Defense Agencies is projected at $60.5 billion including $18.4 billion for the Air Force M-X missile program. The total deficiency of the three active Military Departments alone (exclusive of the M-X program) is $38.7 billion of which $17.4 billion represents replacement and modernization projects required to eliminate inadequate and overage facilities. Future progress in overcoming this substantial deficit will continue to depend primarily on two factors: an abatement in construction cost inflation and future increases in the amount of military construction budgets.

Within the total requested program of some $8.1 billion, about $3.1 billion are allocated to construction within the United States, $.6 billion to general support activities, and about $2.0 billion to overseas construction. The overseas total includes $425 million as our cost share contribution to NATO Infrastructure. However, we are asking for only $385 million in appropriations with the remainder to be made up by recoupments. The balance $2.4 billion, represents the military family housing resources necessary for construction, operations and maintenance, leasing, and similar activities for support of family housing worldwide.

For the information of the Committee and to provide further amplification of the various parts of our program, there are attached to my statement six enclosures. First is a reconciliation of new authorization to appropriations. Second is a summary of the proposed authorization programs by the major facility categories. Third is a more detailed description of the construction within the various facility categories. Fourth is a summary of the Family Housing authorization for appropriations. In the fifth are our responses to a number of questions and requests for reports contained in the Appropriation Committee Reports on the FY 1981 Program. Other responses containing more detail, have already been or will be forwarded to the Committee separately. In the sixth and last enclosure is a more detailed summary of the FY 1981 Supplemental request.

Now I would like to address several important segments of this year's request which in the past have been a matter of interest to the Congress, and which we consider to be essential elements affecting our total program. The first of these is.....

Construction Execution

The Department of Defense emphasizes the execution of the military construction program in the year for which funds are appropriated. It is our judgment that management of the Military Construction Program by the Services has been good during FY 1980. This judgment is based on performance.

We have established an overall Service performance execution rate of 90 percent of the program, excluding projects cancelled or delayed beyond Service control. Performance for the last fiscal year was 1 percent short of our goal, caused in part by the late (November 30, 1979) enactment of the FY 1980 Military Construction bills. Nevertheless, FY 1980 performance of 89 percent compares favorably with the performance execution figures of 90 percent in FY 1979 and 1978, 89 percent in FY 1977 and 77 percent in FY 1976.

In addition to the year-end goal, we have established intermediate goals to encourage award of the program in the early quarters of the fiscal year. This is essential in a period of high inflation because delay in "hitting the street early" means increased costs. And, of course, early awards enable us to furnish required facilities to the user in a more timely and responsive manner.

Another indicator leading to our judgment that management of the military construction by the Services in FY 1980 has been good is our analysis of Service efforts to control cost growth. Of those projects executed, there were only 51 projects which exceeded the program authorization by more than 25 percent, and thereby required cost variation approval by the Congress. This compares with 46 such projects in FY 1979. Our analysis of the above mentioned 51 projects shows that unanticipated inflation was the primary factor for cost growth in these projects.

By way of background, may I remind you that we foresaw the extraordinary cost growth in military construction and you were so advised. On that account the Congress directed the use of cost variation procedures to assure award.

Competition on Military Construction has improved slightly in 1980. We now experience an average of 6.1 bidders for each bid package, whereas in 1979 that figure was 5.7.

The FY 1982 Military construction budget reflects an anticipated savings of $70 million to be achieved through revisions to current administrative practices under the Davis-Bacon and Services Control Acts.

Program shortfall deserves special comment. Prior to 1979, the overall ratio of program current working estimate to program authorization was in the mid-80% range. This allowed program flexibility to pay contractor claims and to absorb cost growth. For the last two years, this ratio has been close to 100 percent, thus eliminating flexibility. Foreign currency exchange losses, unanticipated inflation rates and other factors have all contributed to a serious funding shortfall of $387.2 million which could result in cancellation or deferral of a number of valuable approved projects and impair our ability to carry out future Military Construction programs. The $387.2 million total shortfall consists of Army, $38.9 million; Navy, $105.8 million; and Air Force $242.5 million. The single greatest factor in this shortfall was the cost growth in the Space Transportation System project. The STS program amount was $118 million, and the current working estimate is $201 million. The FY 1982 budget includes $387.2 million to fund the military construction shortfall and I urgently commend your attention and support to the correction of this long-standing problem.

Planning and Design

This year the DoD requests $483.7 million under the continuing authorization of 31 USC 723 for advance planning and design funds for the active forces and defense agencies and $16.9 million for the Guard and Reserve components under 10 USC 2233. This is significantly larger that the $336.6 million requested last year. However $156 million of the total is for planning and design of the Air Force's M-X program. The remaining $344.6 million is just sufficient to cover inflation and anticipated significantly larger future years' construction programs of over $8 billion per year. I might mention that we have critically examined the planning and design program to assure that these large amounts can be handled efficiently and have met with the Military Departments to plan necessary management actions.

The Military Departments are continuing to make progress toward the DoD goal of having all projects at least at the 35 percent stage of design when presented to the Committees for authorization and appropriation. We realize that we must strive to attain this objective in order to be able to obligate the construction programs in the budget year and I can assure you that we intend to come very close, if not completely attain our goal.

Construction in Europe

Construction in Europe continues to command a major portion of our total construction request. I will cover this in more detail in my separate statement on construction in Europe and NATO Infrastructure, but I would like to say here that the Department of Defense continues to make significant progress in addressing the concerns of the Congress in this very important area, with particular emphasis on management initiatives and innovations. For FY 1982, some $1.125 billion in authorization and $1.094 billion in appropriation are required to support the operational objectives of the U.S. and major NATO commanders. Included is $425 million in authorization and $385 million in appropriation for the U.S. contribution to the NATO Infrastructure program. The difference, $40 million, will be provided through recoupment of funds from previously prefinanced projects. This represents a substantial increase over the $300 million authorized and $250 million appropriated in FY 1981 and reflects the proportionate share it is estimated that the U.S. will incur in FY 1982 against the approximately $2.8 billion Infrastructure program backlog. A significant factor which was considered in developing this year's request is the improved rate at which the host nations are approving large Infrastructure projects. This accelerated rate has caused a concomitant increase in requirements for the U.S. to pay its share of such projects. As you know, the U.S. contribution to this common funded program is 27.42 percent.

In addition to the Infrastructure line item, the total request includes U.S. unilaterally funded military construction projects in Europe in the amount of $363 million in authorization and $373 million in appropriation for the Army, and authorization and appropriation requests of $35 million for Navy, $258 million for the Air Force, and $44 million for the Defense Agencies. There is one prefinanced project in this request. The Air Force is requesting $24 million for mission essential facilities at collocated operating bases. These projects are eligible for NATO funding, but with the small amount of funds remaining in this slice group, construction of these important projects could not be expected until sometime beyond 1985. As I have indicated in prior years testimony, we will limit the practice of prefinancing to very selected projects and only when absolutely required to meet operational commitments. The military construction requests for the Services and Defense Agencies include such items as personnel and logistic support facilities for the PATRIOT and Ground-

Launched Cruise Missile systems, Dependents Schools, training facilities and other projects that are not eligible for NATO funding.

Indian Ocean/Persian Gulf Construction

As noted last year, our national interests are inextricably tied to the Indian Ocean/Persian Gulf region of the world. Because of Congressional and DoD concern, comprehensive reviews of the strategic and tactical concepts required in this volatile area have been conducted by the Joint Chiefs of Staff. The reviews defined our overall planning and policy objectives which have now been incorporated into a multi-year construction plan. As required, a copy of this plan has been forwarded to your committee. The plan requires extensive construction of facilities in various countries throughout the region in order to support the rapid deployment force concept and to improve the operational readiness of our forces in the area. In FY 1981, $236.9 million was provided including a special contingency fund of $105 million for Indian Ocean/Persian Gulf construction which has been applied to projects in Oman, Kenya, and Somalia. The $472.6 million requested in this budget provides for additional construction in these countries but also includes needs in Diego Garcia and Egypt. Appreciating the almost complete lack of supporting facilities in the region and the necessity to provide on-line facilities as quickly as possible, the Department developed a construction policy which provides for preference to United States firms in order to ensure a dependable, technically proficient and responsive regional construction capability. The required dredging program for the area will be accomplished in accordance with Public Law 96-436 which provides United States contractors with a beneficial 20 percent bid factor. The United States Army Corps of Engineers and the Naval Facilities Engineering Command, as the DoD construction agents in the area, have been instructed to take all necessary actions to execute and carry out this military construction program in an expeditious manner. We have a high degree of confidence that the construction program for the Indian Ocean/Persian Gulf has been carefully planned and programmed to provide needed facilities and will be constructed in a manner responsive to the support needs of our operational forces and to our national interests.

Construction in the Pacific

In recent years, construction in the Pacific has been assigned a somewhat lower priority in deference to the need to address urgent facilities requirements in Europe and the Indian Ocean/Persian Gulf areas. However, while those areas continue to receive major consideration, the FY 1982 construction requirements in the Pacific total approximately $425.1 million and therefore represent a significant element of the total program.

As might be expected, the greatest emphasis has centered in Korea for which $149.4 million has been requested. Of this amount $62.3 million has been programmed by the Army to continue efforts begun last year to undertake extensive construction in light of the announced reassessment of the Second Division withdrawal. Similarly, the remaining $51.3 million has been programmed by the Air Force in an effort to enhance its operational capabilities in that area. The Defense Logistics Agency has programmed $29.0 million to construct POL tankage, and two dependent school projects for $6.8 million are programmed in Korea. This effort is also reflected in Air Force requests for facilities in Japan where $18.7 million has been programmed in addition to some Army and Navy requirements. Two dependent schools are also included in Japan for $9.5 million.

Construction is also being requested in the Republic of the Philippines. Last year we were able to proceed with some essential Air Force new construction following the completion of negotiations for a base rights agreement involving Clark Air Base. In the FY 1982 request, we are continuing this effort with Navy and Air Force facilities at Subic Bay, Cubi Point and at Clark Air Base totalling some $29.1 million.

The balance of the requirements in the Pacific are located in Hawaii, $92.0 million; Alaska, $70.9 million; the Marianas, $32.2 million; Wake Island, $14.5 million; Kwajalein, $3.2 million; and New Zealand, $1.2 million. In this instance, we have included Alaska because of its vital role in Pacific operations. Highlighted are the minimally-attended radar facilities in Alaska, and the acquistion of the leasehold interest in 18,200 acres of land originally agreed to in 1975 as part of the covenant to establish the Commonwealth of the Northern Marianas Islands. Other projects are operational, training, environmental, and quality of life facilities for our forces in these areas.

Quality of Life

Quality of life embraces a range of programs and individual projects designed to create an environment which recognizes that our Armed Forces personnel are our most important asset. The human dimension of military service

-- the job, living, and recreational conditions of service life -- is generally regarded as a highly pertinent variable in the recruitment, retention, discipline, morale and readiness of military members.

Satisfactory and servicable facilities are, of course, a prerequisite to adequate working conditions, housing, medical care, educational, religious, recreational and other programs necessary to support the military community. Quality of life programs -- to include military construction -- have not always competed well for resources. The Department of Defense Fiscal Year 1982 military construction program addresses some of the shortfalls of prior years by recognizing that improved morale and retention of skilled personnel in the Armed Forces depends upon relatively more attention to quality of life issues.

Community Facilities

The Fiscal Year 1982 Military Construction Authorization Program contains $185.8 million for 64 community facility projects. The current All Volunteer Force includes 54.4. percent which are married personnel. There are over 1.6 million dependent children of these military families. Frequent reassignments, unaccompanied tours, long periods of sea duty, irregular working hours and training exercises, deteriorating purchasing power, and a significant number of working spouses have all combined to necessitate more and better family services, child care, and youth activity programs. The FY 1982 military construction program includes among other items ten family service or community centers and eight child care centers to address these needs. The FY 1982 military construction apropriation program includes $9.8 million for four projects which were previously authorized.

Gymnasiums and other sports and physical fitness facilities are required not only for recreational purposes, but are an integral part of the DoD physical fitness readiness program. Fifteen of these facilities have been included in the FY 1982 military construction program.

For too long we have neglected our overseas facilities and those Navy shore installations in the United States directly supporting our fleet personnel and their families. While it is extremely difficult to establish priorities on a worldwide basis, we have tried to establish a balance between military construction projects in the United States and those in foreign countries. We expect that military construction programs in future years will likewise be oriented toward meeting overseas needs as well as selected Navy shore installations and small remote sites within the United States, where quality of life deficiencies are known to currently exist.

The Department of Education Organization Act, Public Law 96-88, included provision for the transfer of the Department of Defense Office of Dependents Schools to the Education Department prior to May 1983.

A plan was developed which contemplated effecting this transfer by the beginning of Fiscal Year 1982. However, during the review of the Budget, then-President Carter made the decision to delay the proposed transfer in order to give the new Administration the opportunity to review the proposal. Accordingly, the military construction and design for continued operation under the Department of Defense are included in this request for $64.2 million. This will provide eleven projects to expand or rebuild schools for overseas dependents.

In summary, the FY 1982 community facility construction in the Continental United States contains 29 projects at $58,750,000; and 35 projects in eight foreign countries for $127,070,000.

Family Housing

The roughly $2.4 billion family housing program proposed for FY 1982 is an essential aspect of the quality of life experienced by our military personnel. Failure of this program adversely affects retention of the key personnel we need to accomplish essential missions. The FY 1982 program includes the construction or acquisition of 2,117 new units at a cost of $168.8 million, in support of new missions or families assigned to installations in tight housing markets. 676 of the units are in overseas areas where economic analyses indicate it is more cost effective to build or acquire vice lease. Although our operating and maintenance costs have increased, the expenses anticipated are necessary if we are to maintain desirable surroundings important for the support of our personnel. I will discuss the program in more depth in later testimony, but would like to stress at this point that the program before you is considered the minimum essential required.

Unaccompanied Personnel Housing

The FY 1982 Unaccompanied Personnel Housing construction program amounts to $414.7 million compared with $227.3 million for FY 1981, an increase of $187.4 million. The proposed program for modernization and new construction will provide 25,964 adequate spaces, including 14,877 spaces for CONUS installations and 11,087 spaces in overseas areas. The CONUS portion contains housing only for grades E-6 and below, which conforms to the recent policy change that permits personnel in pay grades E-7 and above to live off-base. Examples of the CONUS housing support includes new construction for personnel assigned to the new National Training Center for the Army at Fort Irwin, California, and personnel located at the Naval Submarine Support Base at Kings Bay, Georgia. The overseas portion supports essentially unaccompanied junior enlisted personnel assigned to critical housing locations in the European countries, Korea, and the Republic of the Philippines. The majority of the construction in Europe will support force modernization initiatives in Germany, continue the upgrade of isolated sites in Turkey and reduce housing deficits in the United Kingdom. Unaccompanied housing for Korea will relieve current unsuitable conditions for personnel occupying temporary and antiquated quonset huts. With Congress' support, we are continuing our efforts to reduce the deficiency of approximately 300,000 unaccompanied personnel housing spaces currently reported by the military services.

Medical Facilities

The FY 1982 budget includes $146.5 million of authorization and $435.3 million funding for medical facility construction. This request reflects the vital need to make significant headway against the $2.6 billion backlog of deficient medical facilities. Much of the current inventory of DoD medical facilities was built 25 to 50 years ago, and is today, functionally and physically inadequate to meet the needs of modern medical care. Included in this year's program are major projects at Fort Carson, Colorado, for a replacement hospital, $81.0 million; Frankfurt, West Germany, for hospital alterations, $33 million; San Diego, California, for a replacement hospital for the Navy Regional Medical Center, $204 million; Wright-Patterson Air Force Base, Ohio, $102.3 million for major additions/alterations; Travis Air Force Base, California, upgrading life safety and supporting functions, $3.8 million; Sheppard Air Force Base, Texas $4.0 million for alterations to the existing hospital; and Annapolis, Maryland, for a medical clinic modernization, $3.0 million.

The outyears of the DoD Five Year Program are planned to continue addressing major deficiencies worldwide. This will include construction of new and modernization of existing hospitals to meet changing support requirements, medical missions, life and electrical safety compliance, and needed troop medical/dental clinics at a variety of installations.

Energy Conservation Investment Program (ECIP)

This is the seventh year of this progressive program to reduce energy consumption in all of our existing buildings and utilities systems. The program is designed to accomplish cost effective retrofit work in older facilities to lower energy-use levels and to achieve significant savings in utility costs.

As a result of the requested Defense Audit Service review of the first three years of the program, we have issued more detailed guidance to the Military Departments to strengthen the program and eliminate identified problems. Last year we instituted an annual report of actual ECIP Project construction and energy savings and are using the information from this report to further improve the management of the program and optimize results.

We have found that with regard to life-cycle costing, prioritization for funding of projects on the basis of dollar savings only, without regard to energy savings, does not produce the necessary reductions in energy consumption. Accordingly, we shifted the program emphasis to energy conservation by establishing priorities based on energy savings per $1,000 of investment. Under this criterion, the maximum-energy-saving projects are accomplished first. In order to assure a cost-effective program we require all ECIP projects to have a benefit-to-cost ratio greater than one. We believe, with a criterion based on energy savings rather than dollar savings alone, we can achieve a 12 percent energy reduction from ECIP by 1985 as part of the 20 percent required by Executive Order 12003. An additional 4 percent reduction will be attained by programmed O&M-funded conservation measures including improved maintenance and operating procedures. This effort will include additional operator training, instrumentation calibration and cleaning and tuning of utility systems. Improved administrative practices, voluntary personnel action and replacement of old equipment (e.g. boilers) will be emphasized to achieve the final 4 percent.

In order to achieve a 20 percent decrease in energy use in existing facilities by 1985, we extended the Energy Conservation Investment Program to FY 1984 at a total cost of about $1.5 billion. We believe this total program cost estimate is valid. In the past six years Congress has authorized and appropriated $869 million for this work. This year, an authorization of $223.1 million and an appropriation of $223.7 million (including $44.9 million for family housing) are requested for this important program. As retrofit solutions continue to become more complex, we expect requirements to increase to a peak of about $275 million by FY 1983. The average amortization period to date is about 5 years and the FY 1982 program payback is estimated at less than 5 years. The resultant energy cost avoidance is estimated to be over $200 million in FY 1982. We continue to give high priority to the energy conservation effort not only to achieve compliance with Administrative and Congressional directives but also decreased dependence on fossil fuels produces improved facility readiness and avoidance of facilities operations costs.

Pollution Abatement

The DoD is continuing to make a major effort to identify and correct air and water pollution problems while attempting to fully comply with the many state, regional and local requirements. The FY 1982 request contains $8.6 million for air pollution abatement and $46.6 million for water pollution abatement.

In the past 13 years, funding from all sources for pollution abatement has exceeded $2.6 billion. We believe good progress has been made in improving the environmental quality not only for personnel on military installations but also for their neighbors. One of our principal objectives has been to achieve cost effective and timely abatement solutions. As I have stated before to this committee, the program has been difficult at times and continues to have problems. One of the primary reasons is that the many changes and modifications to abatement regulations have made it difficult to focus on a solution in many cases. There have been technical problems in some areas, especially in the proper treatment of industrial waste. The proper disposal of explosives and ammunition is the principal remaining problem in the area of air pollution abatement. We have several projects of this type in the FY 1982 program.

During last year, as the result of GAO direction that EPA should fund Federal Agencies portions of all regional waste water treatment facilities, we deferred programming of some projects. In the light of OMB's counter direction that Federal Agencies should fund their appropriate portion of these regional facilities, we have programmed such a project at Seymour-Johnson Air

Force Base in the FY 1982 program. Other similar projects are waiting for local municipality initiatives.

You will note that our FY 1982 request is lower than last year. This is primarily due to the fact that we are completing the majority of the earlier regulatory requirements. But we are unable to accurately predict the end of the pollution abatement effort. It is probable that it will continue into FY 1984, primarily to accommodate the new requirements for best available waste water treatment, oil spill prevention and hazardous wastes and unique explosives disposal. Hazardous waste disposal is one of the least defined areas of future requirements needs. Surveys are currently underway to define the construction necessary to comply with recent amendments to the Resources Conservation and Recovery Act.

DIA Building

The Military Construction Authorization Act of 1981 (P.L. 96-418) approved authorization for construction of a Defense Intelligence Agency facility at Bolling Air Force Base. However, Section 406 of that Act required that no funds be obligated or expended until the Secretary of Defense conducted a study to examine alternatives to construction at Bolling Air Force Base and submitted the study results and his decision regarding the location and scope of the facility to the appropriate committees. A waiting period of thirty days after submitting this report prior to obligating funds was required by the Congress.

The subject report and the Secretary's decision to proceed at Bolling A.F.B. was delivered to the committees on November 24, 1980. The thirty-day waiting period expired December 23, 1980. Bids were received February 18, 1981. The low bid was within the government estimate and the contract has been awarded. The FY 1981 legislation partially authorized and funded this much-needed facility. The additional authorization and funding required is critical in FY 1982 in order that the construction contract can continue uninterrupted and that vital photographic processing and electronic equipment can be moved into the facility in November 1983. This will bring to an end the risks imposed by leases that are running out and deteriorating environmental conditions in temporary facilities. This schedule will also permit the remainder of the agency to begin occupancy in April 1984 and become fully operational in October 1984.

M-X

Included in the program is a total of $366 million for MX facilities, including the next phase of the Vandenberg Test Facilities ($12.9 million), the first increment of land acquisition funding ($9.5 million), an MX headquarters facility at Norton AFB ($11.0 Million), and the first increment of M-X operational support facilities ($332.6 million). The operational support facilities funding provides for the site development, contractor mobilization, operational base test site construction, and purchase of selected long-lead materials. Roads, railroads, utilities, shops, warehouses, administrative facilities, and construction camps will be provided with this funding. With respect to the environmental impact process, the draft environmental impact analysis was released for public comment in December 1980, and we anticpate that the final environmental impact statement will be completed in mid-1981. The Congress, last year, expressed an interest in the management of this program. We are developing a memorandum of understanding between the Army, Air Force and the Office of the Secretary of Defense , and will shortly have in being a combined Working Group which will provide surveillance over the program management. These details of the Construction Management Plan, addressed by the Congress last year are contained in the Environmental Impact documents. Coordination with all other government agencies, professional groups, trade associations, labor groups and elements of industry which will be involved with or impacted by this program will be accomplished by DoD agencies.

TRIDENT Construction

The military construction program, in support of the West Coast TRIDENT Weapons System, is being well-executed. Of the $554.6 million program appropriated for construction through FY 1981, 92 percent is complete with an additional 5 percent scheduled to be completed by the end of FY 1981. All of the facilities approved through FY 1980 are either completed or underway and all projects in the FY 1981 program are scheduled to be awarded during the fiscal year. The first TRIDENT submarine is expected to arrive at SUBASE Bangor late in 1982. All facilities to support this boat will be completed in advance of this date. Remaining TRIDENT facilities construction is programmed through FY 1984 to support the follow-on submarines and the Navy has requested $23.1 million in the FY 1982 budget for continuation of this construction at SUBASE Bangor.

The FY 1982 budget also includes $77.8 million as the initial increment of construction for the Atlantic Coast TRIDENT program at Kings Bay, Georgia. $12.7 million of this is for 165 units of family housing. Of the remaining $65.1 million, over 87 percent is for utilities and site improvements but also includes facilities to support the initial personnel build-up for the TRIDENT program. This request is the first phase of a carefully planned program through 1988 to provide the support facilities for an initial operational capability by October 1989.

The East Coast basing of the TRIDENT Submarine was a separate decision from the site selection made in January 1978 for the relocation of the Rota POSEIDON Squadron. The Secretary of the Navy, on May 24, 1979, announced that Kings Bay, Georgia, was selected as the preferred alternative location for the possible construction of an Atlantic Coast Strategic Submarine Base. This selection initiated a formal process leading to the final selection and approval for construction. The final supplement to the Environmental Impact Statement (EIS) was filed with the Environmental Protection Agency and distributed to the public on September 11, 1980. Based upon the findings, the final site selection of Kings Bay, Georgia, as the Atlantic Coast Strategic Submarine Base was announced by the Secretary of the Navy on October 23, 1980.

Guard and Reserve Components

The FY 1982 authorization request for the Guard and Reserve Components of the Army, Navy, Marine Corps, and Air Force is $203,000,000 and the appropriation request is $236,200,000. The FY 1982 program includes projects in 41 states, Puerto Rico and the Virgin Islands. It represents an increase of $7,189,000 over that appropriated for FY 1981. But when inflation is considered, the DoD request for FY 1982 is approximately the same level of effort as in previous years.

Approximately 30 percent of the request is in support of new mission requirements or new equipment assignments as the Guard and Reserve continue to modernize and take on added responsibilities within the Total Force. The balance of the program is to replace, renovate or expand inadequate facilities that hamper readiness objectives or that fail to meet minimum health, safety, environmental or energy conservation standards.

The program, as proposed, represents the current priorities of the Guard and Reserve Components. Each project has been analyzed to insure that it is located where there has been a demonstrated capability to support the various Guard and Reserve Programs, and planned in the most cost-effective manner.

During the past two years, we have been urging the Guard and Reserve Components to aggressively pursue cost-saving joint-construction projects. In this request, there are ten projects which will build or expand six facilities for joint use.

We will have a separate statement on this vital portion of the Defense program for the separate hearings you have scheduled.

Base Realignments

Knowing the Congress' interest in actions affecting Department of Defense installations, I would like to say at the outset that at this time we are not preparing any new base realignments or closure package. However, this does not rule out the possibility of a package being developed later this year after the new Administration has formalized its budget projections for future years. With regard to our actions on the previously announced proposals, these are continuing.

To summarize, in March 1979 the Military Departments and Defense Agencies announced a number of base realignment decisions and preferred alternatives affecting 157 installations and activities in the United States which, when implemented, would reduce Defense costs by more than $264 million and eliminate 9,700 military and 5,600 civilian personnel positions throughout the Department of Defense. Subsequently, the status quo was announced for a number of proposals and several were revised or held in abeyance as a result of changed conditions.

To date actions have been implemented which will result in estimated annual savings of $128 million and reduction of 4,600 military and 3,000 civilian positions. Nine studies which are still underway could result in additional estimated annual savings of about $100 million and elimination of approximately 2,900 military and 3,400 civilian positions. We expect decisions on most of these actions to be announced within the next several months.

Conclusion

In conclusion, I am appreciative of this opportunity to appear before you today to present the Department of Defense FY 1982 Military Construction Program, and to discuss subjects in the construction, housing and installations areas which are of interest to your Committee. This is a very vital part of the overall Defense Program/Budget. I have attempted to provide you with a comprehensive outline of our continuing efforts to achieve a strong base structure which will measurably contribute to the readiness of the Total Force. We express our appreciation for the understanding and support of this Committee which has been so helpful in past years.

I have with me various members of my staff and together we will be available to answer any questions you may have regarding our proposed program.

Thank you.

Enclosure 1

RECONCILIATION OF NEW AUTHORIZATION TO APPROPRIATION

($ Millions)

Total New Construction Authorization, FY 1982		7,028.842
ADDITIONS		
Programs funded under codified authorization		+545.250
Planning and Design (31 USC 723)	(500.650)	
Minor Construction, Guard & Reserve (10 USC 133)	(16.300)	
Defense Access Roads (23 USC 210)	(27.800)	
Minor Land Acquisition	(0.500)	
Foreign Construction Management		+12.150
Projects Construction Authorized but not Funded		+413.915[1/]
Prior Year Shortfall Funding		+348.317
OSD Family Housing & Homeowners Assistance Fund (Authority to obligate earnings)		+24.500
Subtotal, Additions		1,344.132
SUBTRACTIONS		
Army Ammunition Plants Financed under Appropriation "Procurement of Ammunition, Army"		-48.986
Project to be Funded in a Subsequent Year		-112.400
OSD Family Housing, Debt Principal Retirement		-128.888
NATO Infrastructure - Additional Recoupment		-5.000
Subtotal, Subtractions		295.874
Total Obligational Authority, FY 1982		8,007.700
Appropriation for Family Housing Debt Principal Retirement		+128.888
Authority to Borrow[2/]		-0.286
Financing from Receipts[3/]		-59.214
Appropriation, FY 1982		8,147.088

[1/] Includes Navy and Air Force only. Army shortfall incorporated in new authorization and prior year authorization totals.

[2/] Authority to Assume Mortgages under Home Owners Assistance Program.

[3/] Includes $35.0 million recoupment from prefinanced NATO projects; $20.500 million from Family Housing Reimbursements; $3.714 million of Proceeds from Sales of Homes under Home Owners Assistance Program.

Enclosure 2

ADDENDUM TO STATEMENT
BY
PERRY J. FLIAKAS
DEPUTY ASSISTANT SECRETARY OF DEFENSE
SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES
SENATE APPROPRIATION COMMITTEE

FY 1982 MILITARY CONSTRUCTION APPROPRIATION PROGRAM
($ Million)

Active Forces, Military Departments	Army	Navy	Air Force	Total
Facility Class				
Operational and Training	115.1	321.5	831.2	1,267.8
Maintenance and Production	191.0	129.0	76.7	396.7
Research and Development	28.8	26.4	404.3	459.5
Supply	40.0	25.3	22.8	88.1
Hospital and Medical	118.2	207.0	110.1	435.3
Administrative	21.4	22.8	62.7	106.9
Housing and Community	225.8	210.6	87.8	524.2
Utilities and Ground Improvements	153.9	273.1	99.2	526.2
Real Estate	29.0	35.0	22.3	86.3
General Support Activities	176.5	121.3	265.8	563.6
Shortfall	(38.9)*	105.8	242.5	348.3
Total Direct Program (Budget Authority and Appropriation)	1,099.7	1,477.8	2,225.4	4,802.9

Defense Agencies (Direct Program, Budget Authority & Appropriation)	354.1
NATO Infrastructure (Direct Program, Budget Authority & Appropriation)	385.0
Guard/Reserve Forces (Direct Program, Budget Authority & Apprpriation)	236.2

Family Housing	
Total Program	2,258.5
Less Financing Adjustments	20.5
Budget Authority	2,238.0
Plus Appropriation applied to Debt Reduction	128.9
Appropriation	2,366.9

Homeowners Assistance	
Total Program	6.0
Less Financing Adjustments and Reimbursements	4.0
Budget Authority (and Appropriation)	2.0

SUMMARY

	Program	Budget Authority	Appropriation
Active Forces			
Military Departments	4,802.9	4,802.9	4,802.9
Defense Agencies	354.1	354.1	354.1
NATO Infrastructure	425.0	425.0	385.0
Guard/Reserve Forces	236.2	236.2	236.2
Family Housing	2,258.5	2,238.0	2,366.9
Homeowners Assistance	6.0	2.0	2.0
Grand Total	8,082.7	8,060.2	8,147.1

* Non-add

Enclosure 3

ADDENDUM TO STATEMENT

by

Perry J. Fliakas

Proposed Construction in Major Categories of Facilities Active Forces (Title I, II, III, IV, V)

The Active Forces portion of the Military Construction Appropriation Program for Fiscal Year 1982 totals $4.803 billion for the three Military Departments, and $354.1 million for the Defense Agencies, and $385 million for NATO Infrastructure. This portion of the program is related to the regular military establishment and provides for facilities and installations necessary to meet operational, logistical and other mission requirements of the three Military Departments and Defense Agencies, other than family housing. For purposes of easy summation, we have grouped the total request into nine standard Department of Defense categories. I would like to describe the principal items contained in each of these categories for the individual Departments. I will omit reference to the Defense Agencies, NATO Infrastructure, and the Guard and Reserve Forces in these descriptions, inasmuch as I will summarize their requirements separately at the end of this presentation. The first of the categories is:

Operational and Training $1,267.8 million

The operational facilities contain essential airbase, fleet operations support, communications, security, command and control, and other operational facilities necessary to support the combat readiness capability of the Services. Under training facilities we seek to provide the instructional and training facilities necessary to the development of not only the basic soldier, seaman, airman and marine, but also the technical and professional specialists required to operate, maintain and repair the complex tools of modern war.

Army	-	$115.1 million
Navy	-	$321.5 million
Air Force	-	$831.2 million

The $115.1 million Army request includes $56.0 million for 9 operational facilities and $59.1 million for 15 training facilities. Operational facilities include various Rapid Deployment Force facilities for $36.0 million, a Criminal Investigation Detachment Laboratory for $2.8 million, an Operational Intelligence Building for $2.1 million, an airfield upgrade project for $6.3 million, $3.8 million for airfield parking, $1.5 million for a Field Operations building, and $1.6 million for two other miscellaneous operational facilities. In addition, a special support facility for $1.9 million is included. Training facilities include such significant projects as a tank crew Qualification Range in Germany ($15.0 million), a range upgrade in Germany ($5.8 million), a Roland Training Facility ($4.7 million), and a Flight Simulator Building in Germany ($9.9 million). In addition, the request includes $11.6 million for six battalion headquarters facilities and $12.1 million for five other miscellaneous training facilities.

Of the $321.5 million included in this category for Navy, $271.0 million is for operational facilities and $50.5 million for training facilities. Of the $271.0 million for operational facilities, $20.9 million will provide airfield facilities at five installations, $7.7 million for communication facilities at four installations, $20.1 million for operational facilities at ten installations. $51.3 million for waterfront facilities at three installations and dredging at three installations, and $171.0 million for facilities in the Indian Ocean/Persian Gulf. Training facilities total $50.5 million at 15 installations.

The Air Force program for operations and training facilities totals $831.2 million, of which $794.8 million are for operational facilities and $36.4 million are for training facilities. Significant items within the operational facilities portion include $313.4 million for Rapid Deployment Force-related facilities in Lajes, Portugal; Oman; Egypt; and Diego Garcia; $102.3 million for air-launched cruise missile (ALCM) facilities at various installations; $69.1 million for ground-launched cruise missile (GLCM)-related facilities at various installations; $57.6 million for an unspecified special project; $40.3 million for minimally-attended radar facilities in Alaska; $37.1 million for minimum essential facilities in Europe; $17.7 million for two unit relocations in Europe; $7.7 million for aircraft instrument landing/navigational facilities at 12 installations; $10.3 million for airfield pavement improvements at 4 installations; $23.0 million for an AWACS alert facility; $19.0 million for TR-1 aircraft beddown; $13.6 million for communications-related facilities; $13.9 million for aircraft shelter facilities; $9.8 million for chemical warfare protection facilities; $6.9 million for a B-52 alert complex; $14.0 million for an Aerospace Data Facility; and $39.1 million for miscellaneous operational requirements at 18 installations. In addition, the $36.4 million for training facilities will provide $24.5 million for seven flight simulator training facilities and $11.9 million for one GLCM training facility, one marksmanship training facility, two field training facilities, and one computer technical training facility.

Maintenance and Production Facilities $396.7 million

This category includes all types of facilities necessary for the production, maintenance and repair of military hardware, including field and depot maintenance shops and hangars, shore-based marine maintenance facilities for the fleet, and production, assembly and maintenance facilities for rockets, missiles and various types of conventional ammunition.

The totals of the Services' requests for such facilities are:

Army - $191.0 million
Navy - 129.0 million
Air Force - 76.7 million

Items in the Army request include 48 projects at 35 locations and provide $7.3 million for three aircraft maintenance facilities; $88.0 million for tactical equipment ships at 22 installations; $19.5 million for direct support/general support maintenance facilities at four locations; $10.8 million for facilities modernization of Watervliet Arsenal; and $65.4 million for 15 miscellaneous maintenance facilities at 15 locations.

Significant items in the Navy request for maintenance and production, facilities include $80.9 million related to aircraft maintenance at 11 installations; $20.2 million for ships maintenance facilities at 5 installations; and $27.9 million for other maintenance facilities at 10 installations.

The construction requested by the Air Force in this category will provide $30.2 million for aircraft maintenance and support facilities at 15 locations; $3.5 million for 6 sound suppressor facilities; $6.4 million for hardened logistics facilities; $4.4 million for 3 avionics maintenance facilities; $6.7 million for aircraft fuel system maintenance facilities at 3 installations; $4.5 million for automotive and refueler vehicle maintenance facilities at 3 locations; and $21.0 million for 14 additional miscellaneous maintenance facility requirements.

Research and Development Facilities $459.5 million

This portion of the construction program is necessary to sustain our search for new and improved weapons systems. The Department considers the projects included herein to be highly essential and vital to the maintenance of United States leadership in the development and testing of new defense systems.

The totals of the Services' requests for R&D facilities are:

Army - $28.8 million
Navy - $26.4 million
Air Force - $404.3 million

The Army's request consists of two projects at two locations. The most significant is the modernization of a research facility at Fort Monmouth, New Jersey for $26.0 million while the other project is a kinetic energy launch system at Aberdeen Proving Ground for $2.8 million.

The Navy's request under this category includes $26.4 million for research, development and test facilities at eight installations.

The Air Force Program for RDT&E facilities contains a total of eight projects, three of which provide $38.2 million for space shuttle facilities. In addition, the program provides $345.5 million for M-X missile facilities; $5.5 million for a biotechnology laboratory; $8.3 for a Systems Management Engineering Facility; and $6.8 million to add to and alter an R&D computer complex facility.

Supply Facilities $88.1 million

This category includes various supply facilities, including fuel storage, ammunition storage, cold storage, depot and arsenal warehouses and open storage facilities.

Army	-	$40.0 million
Navy	-	$25.3 million
Air Force	-	$22.8 million

The Army's request includes 20 projects at 18 locations, the most significant of which are the $11.6 million Ammunition Supply Point at Fort Stewart, Georgia, and the $7.3 million POL Pipeline Storage facility in Korea. In addition, the request includes $2.0 million for the expansion and alteration of the Depot Operations Facility at the Red River Army Depot, Texas; $2.6 million for a basic load site at Hanau, Germany; and $16.5 million for 16 POL, warehouse and other supply-related facilities.

The Navy's request includes $5.4 million for missile magazines $3.9 million for cold storage warehouses at two installations; and $16.0 million for other supply support and warehouses at seven installations.

The $22.8 million requested for supply facilities for the Air Force will provide $4.8 million for munitions storage facilities at three locations; $16.8 million for jet fuel storage facilities at three overseas locations; and $1.2 million for an addition to a cold storage facility.

Hospital and Medical $435.3 million

Replacement and modernization of our outmoded and deficient medical facilities remains as one of our important construction priorities. Much of the current inventory of DoD medical facilities were constructed from 25 to 50 years ago and today are functionally and physically inadequate to meet the needs of modern medical care. The fiscal year 1982 budget includes a significant increment of the unmet medical construction requirement.

Total Service requests for hospital and medical facilities are:

Army	-	$118.2 million
Navy	-	$207.0 million
Air Force	-	$110.1 million

The Army request is made up of four projects, most important of which are the $81.0 million for the hospital at Fort Carson, Colorado, and the $33.0 million hospital alteration project in Frankfurt, Germany. The remaining two projects include $0.4 million for a medical facility upgrade at Fort Irwin, California and $3.8 million for a dental clinic at Schofield Barracks.

The Navy request provides $204.0 million for the second increment of the San Diego Naval Hospital replacement project which was authorized in the FY 1981 program and $3.0 million for a medical clinic modernization at Annapolis.

The Air Force request covers three projects and provides $102.3 million for an addition and alterations to the Composite Medical Facility at Wright-Patterson Air Force Base, Ohio; $3.8 million for life safety upgrading at Travis Air Force Base, California, and $4.0 million for alteration of the hospital at Sheppard Air Force Base, Texas.

Administrative Facilities $106.9 million

This category includes various administrative facilities such as headquarters, squadron operations, and similar facilities. The totals of the Services' requests for such facilities are:

Army	-	$21.4 million
Navy	-	$22.8 million
Air Force	-	$62.2 million

Army's request provides seven administrative facilities at seven locations and includes $6.7 million for the renovation of an administration building at Fort Leavenworth, Kansas; $4.0 million for alteration of a headquarters building at Rock Island Arsenal, Illinois; $3.6 million for building modifications at Fort Douglas, Utah; $5.3 million for administrative buildings at three locations in Turkey; and $1.8 million for administrative area improvements at Sunny Point Army Terminal.

The Navy's request includes $4.2 million for pay and personnel support offices at three installations; $11.7 million for administrative facilities at Bangor Submarine Base, $2.4 million for administrative facilities at the Kings Bay Submarine Base, and $4.5 million for other administrative facilities at three installations.

The $62.7 million Air Force request for administrative facilities will provide $30.0 million for 31 data processing facilities, $11.0 million for an M-X headquarters facility, $9.0 million for an RDJTF Headquarters, and $12.7 million for a consolidated base personnel office, a consolidated support center, and two other miscellaneous administrative facilities.

Housing and Community Facilities $542.2 million

Unaccompanied personnel housing is one of the most important and vital requirements in our construction program. We recognize the importance of this item in the career retention of trained and qualified personnel in the military service, and believe implicitly that improved housing will provide both immediate and long-range benefits through increased reenlistment, heightened morale, and reduced recruitment costs. The Services' programs in Fiscal Year 1982 are:

Army	-	$225.8 million
Navy	-	$210.6 million
Air Force	-	$ 87.8 million

The unaccompanied personnel housing and community facilities projects in each of the Department programs are summarized as follows:

Unaccompanied Personnel Housing

	New Construction		Modernization	
	Spaces	Millions	Spaces	Millions
Officer Housing				
Army	11	1.5	6	0
Navy	62	9.0	0	0
Air Force	0	0	10*	.2
Total	73	10.5	10*	.2

Enlisted Housing

Army	4,731	$103.3	826	$ 6.9
Navy	9,959	173.0	3,620	40.8
Air Force	2,222*	37.6	4,523*	39.2
Total	16,912	314.0	8,969	86.9

* Includes 700 spaces for $11.8 million identified in the Air Force Operational Facility Category in support of the Ground Launched Cruise Missile.

Troop Housing Administration and Supply

	Number of Projects	Millions
Army	8	$34.0
Navy	1	0.5
Air Force	0	$ 0
Total	9	$34.9

Dining Facilities

	Number of Projects	Millions
Army	2	$ 4.2
Navy	1	$ 5.4
Air Force	1	$ 3.8
Total	4	$13.4

Community Support Facilities

	Number of Projects	Millions
Army	26	$75.9
Navy	21	$26.0
Air Force	6	$19.7
Total	53	$121.6

The Army's community facilities program includes $40.6 million for 13 recreational facilities, 2 child care centers totalling $3.8 million; and $31.5 million for 11 additional miscellaneous community-support type facilities.

Included within the Navy's program for community facilities are $1.9 million for police and fire stations; $4.1 million for chapels and religious education buildings at three installations; $4.0 million for a commissary at Bangor; $1.9 million for family services centers at five installations; $3.9 million for gymnasiums at two installations; and $10.3 million for child care centers at eight installations.

The Air Force request includes $6.9 million for a composite support center; $6.0 million for two gymnasiums, $1.6 million for a chapel center, $1.2 million for a library, $4.0 million for personnel support center, and $3.8 million for a dining hall.

Utilities and Grounds Improvements $526.2 million

This portion of the program provides for expansions and additions to utility systems and road nets at various U. S. and overseas locations. As in FY 1981, a significant element of this year's program is directed toward further implementing the national policies for controlling water and air pollution and for energy conservation. The Military Department totals in this category are as follows:

Army	-	$153.9 million*
Navy	-	$273.1 million
Air Force	-	$ 99.2 million

*Includes $11.9 million for OSHA-related projects.

In compliance with federal, state, and local air and water pollution control regulations and Executive Order 12088, there is included a total of $53.6 million for 30 pollution abatement projects as a continuation of the program begun nine years ago to eliminate pollution at our military installations. All of these projects have been coordinated with the Environmental Protection Agency.

The pollution abatement projects in each of the Department programs are summarized as follows:

POLLUTION ABATEMENT PROGRAM

	Air Pollution Abatement			Water Pollution Abatement		
	$Mil.	Projects	Installations	$Mil.	Projects	Installations
Army	6.6	3	3	4.8	7	7
Navy	2.0	2	2	33.7	15	15
Air Force	0	0	0	6.4	3	3
Total	8.6	5	5	44.9	25	25

As part of the Department of Defense's energy conservation program, a multi-year energy conservation investment program has been established. The FY 1982 Military Construction Program represents the seventh year of this conservation investment program. Projects in this program are self-amortizing, averaging less than six years, and are limited to retrofitting of existing facilities so as to achieve hard energy savings. The energy conservation investment projects in each of the active Service programs are summarized as follows:

	Energy Conservation Program		
	$Millions	Projects	Installations
Army	71.2	45	34
Navy	50.0	33	33
Air Force	48.0	44	39
Total	169.2	122	106

The Army's request includes $11.4 million for pollution abatement; $71.2 million for 45 energy conservation projects; and $60.2 million for 19 utility projects world-wide, and $11.1 million for OSHA-related projects.

Significant items included in the Navy's request for utilities include $35.7 million for pollution abatement; $50.0 million for energy conservation projects; $42.9 million for electricial and waterfront utilities facilities at eight installations; $37.6 million for a steam plant at Bremerton; $20.0 million for heating plant coal conversion at Indian Head; $7.2 million for two heat distribution line projects; $20.2 million for water treatment and distribution lines at five installations; $15.4 million for other utility projects at six installations; and $44.0 million for utilities at the Kings Bay Submarine Base.

This portion of the Air Force FY 1982 Military Construction Program consists of $6.4 million for water pollution abatement; $48.0 million for energy conservation projects; and $44.8 million* for 16* utility projects.

Real Estate — $86.3 million

This portion of the program provides for real estate acquisitions. The Department requests in this category are as follows:

Army	-	$29.0 million
Navy	-	$35.0 million
Air Force	-	$22.3 million

The Army request provides $29.0 million for the acquisition of 244,000 acres of land for Fort Carson, Colorado.

The Navy's request provides $1.3 million for fee acquisition of 18 acres at Concord, $1.7 million for 11 acres at Oakland, and $32.0 million for a land lease in the Mariana Islands.

The Air Force request provides $11.8 million for air installation compatible use zones (AICUZ) at three locations, $9.5 million for land for the M-X missile system, and $1.0 million for two other miscellaneous land acquisitions.

General Support Activities — $563.6 million

This portion of our budget includes funds required for planning and design, construction of military access roads, minor land acquisition under $25,000, and financing of minor construction projects authorized under standing legislation contained in 10 USC 2674. The amounts requested for each of the Military Departments for these activities are as follows:

($ Millions)

	Planning	Exigent Minor Construction	Defense Access Roads	Foreign Construction Management	Minor Land Acquisition	Totals
Army	126.6	28.0	9.8	12.1	-0-	176.5
Navy	83.7	21.6	16.0	-0-	-0-	121.3
Air Force	245.5	17.8	2.0	-0-	0.5	265.8
Total	455.8	67.4	27.8	12.1	0.5	563.6

Aside from the requirements associated with the M-X Missile System, the requests for general support are relatively modest and comparable to those for

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*Figures include "Energy Showcase" project at McClellan Air Force Base, California, for $8.4 million.

FY 1981. The requests for exigent minor construction funds are also modest when compared with other elements of the total request. However, we consider these funds most important since they constitute they only immediately available source of funds to finance those relatively small projects which inevitable evidence themselves during the fiscal year. We strongly urge the committee to approve them in total.

Shortfall — $348.3 million

This portion of the budget request provides funds required to permit execution of projects approved in prior years:

Army	-	($38.9 million)*
Navy	-	$105.8 million
Air Force	-	$242.5 million

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*Non-add

Defense Agencies (Title IV) — $354.1 million

The request for activities of the Defense Agencies is $354.1 million for new construction, which includes $6.2 million for minor construction, and $30.0 million for the Secretary of Defense Contingency Fund.

Defense Communications Agency — $0.9 million

The $0.9 million provide for the expansion of the present Defense Communications Agency Building at Patch Barracks to accommodate the new mission of managing the European Telephone System.

Defense Intelligence Agency — $72.5 million

The $72.5 million will provide additional authorization for a new Analysis Center for the Defense Intelligence Agency at Bolling Air Force Base, Washington, D.C. This project was authorized and partially funded for $32.7 million in FY 1981 with the balance to be included in the FY 82 request.

Defense Logistic Agency — $71.6 million

The $71.6 million will provide for eighteen construction projects to acquire and improve storage and distribution for Defense Logistics Agency products to improve safety, reduce energy consumption, and to provide fuel storage for Far East contingencies.

Defense Mapping Agency — $10.8 million

The Defense Mapping Agency is requesting $10.8 million for building alterations and equipment relocation at the Aerospace Center in Saint Louis.

Defense Nuclear Agency $0.5 million

The $0.5 million request provides a single specified minor construction project to improve environmental conditions at the Armed Forces Radiobiology Research Institute in Bethesda, Maryland.

National Security Agency $57.6 million

The $57.6 million requested by the National Security Agency will provide for a $55.1 million building addition at the headquarters, Fort Meade, Maryland, as part of a long range program to accommodate increased mission requirements and consolidation of operations. A second project ($2.5 million) will provide for the installation of fire protection equipment in the existing operations building at Fort Meade.

Office of the Secretary of Defense $78.3 million

Included under the Office of the Secretary of Defense request are three classfied projects for $14.1 million and eleven projects for Dependents Schools.

Contingency Fund $30.0 million

The Department of Defense is requesting $30.0 million for emergency construction authorization and funding for the Secretary of Defense to provide for construction deemed vital to the security of the United States.

General Support Activities $32.0 million

This portion of the budget request includes $28.0 million for planning and design and $4.0 million for funding exigent construction projects authorized under standing legislation contained in 10 USC 2674. The $4.5 million will satisfy unforseen project requirements costing $500,000 or less, which, based on historical data, will develop and will be required prior to the availability of subsequent year construction funds.

NATO Infrastructure (Title V) $390 million

Included in the FY 1982 Military Construction request is $390 million for the United States contribution to the multi-national funded NATO Infrastructure program.

Guard and Reserve Forces Facilities (Title VIII) $236.2 million

The request for Guard and Reserve Forces includes $236.2 million for new construction in 41 states, Puerto Rico, and the Virgin Islands, and $33.2 million for planning and design and minor construction.

Army National Guard $47.0 million

The Army National Guard request includes 24 Armory projects, including 2 to be jointly constructed with the Army Reserve, 13 vehicle storage and maintenance facilities, 4 flight facilities, and 18 general support and training site improvements. Projects are at 48 locations in 28 states and the Virgin Islands.

Army Reserve $39.0 million

The Army Reserve request will provide for the renovation and expansion of 11 Reserve Centers, construction 2 new Reserve Centers, an Equipment Construction site, a range facilities project, 2 Area Vehicle Maintenance facilities and 3 flight facilities. The projects are at 20 locations in 16 states. They include two joint projects with the Army National Guard and one joint project with the Naval Reserve.

Naval and Marine Corps Reserve $26.4 million

The Naval and Marine Corps Reserve request includes eight projects in support of aviation programs, one new reserve center, and the expansion of three other reserve centers. The projects are at eight locations in eight states. They include additions to an Army Reserve Center for joint utilization with the Marine Corps Reserve.

Air National Guard $89.1 million

The Air National Guard request includes 32 projects at 24 locations in 19 States and Puerto Rico. Approximately $35.8 million is associated with new missions in support of new aircraft assignments.

Air Force Reserve $34.7 million

The Air Force Reserve request includes 21 projects at 14 locations in 13 states. Approximately $18.0 million is associated with new missions to support new aircraft assignments.

General Support $34.1 million

The request also includes $16.9 million for planning and design and $16.3 million for minor construction.

The request is broken down as follows:

Component	Planning & Design	Minor Construction
Army National Guard	$1.5	$4.0
Army Reserve	4.8	3.8
Naval & Marine Corps Reserve	2.0	0.5
Air National Guard	5.4	5.0
Air Force Reserve	3.2	3.0
Total	$16.9	$16.3

Enclosure 4

FAMILY HOUSING, DEFENSE

AUTHORIZATION FOR APPROPRIATION REQUESTED FOR FY 1982 ($000):
FAMILY HOUSING, DEFENSE $2,366,888
HOMEOWNERS ASSISTANCE FUND, DEFENSE $2,000

FUNDING PROGRAM ($000)		FY 1982
Construction of New Housing (2,117 units)		$ 168,785
Construction Post Acquisition		109,819
Design and Advance Planning		9,100
Appropriation Request, Construction		$ 287,704
Operation and Maintenance		$1,827,264
Operating Expenses	$991,447	
Maintenance	835,817	
Leasing		$ 122,317
Domestic	$ 8,600	
Foreign	113,717	
Debt Payment		$ 150,103
Principle	$128,888	
Interest and Other Expense	19,290	
Servicemen's Mortgage Insurance Premiums for Existing Coverage	1,925	
Total O&M and Debt Payment		$2,099,684
Less: Resources Applied		-20,500
Appropriation Request, O&M and Debt Payment		$2,079,184
Family Housing, Defense, Appropriation Request		$2,366,888
Homeowners Assistance Program		
Homeowners Assistance Fund, Defense, Appropriation Request		$ 2,000
Total Appropriation Request		$2,368,888

Enclosure 5

ADDENDUM TO STATEMENT
BY
PERRY J. FLIAKAS

RESPONSES TO ISSUES RAISED IN COMMITTEE REPORTS

House Appropriations Committee Report 96-1097

Senate Appropriations Committee Report 96-931

Conference Appropriations Committee Report 96-1399

Recoupment of Prefinanced Projects. The House Appropriations Committee, in its report number 96-1097, insisted that the Defense Department vigorously seek to recoup funds from the NATO Infrastructure program for previously prefinanced projects. To emphasize its direction, the Committee recommended deletion of $50 million in appropriated funds, to be made up through planned recoupments.

During FY 1980, $65 million was reduced from the total of potentially eligible recoupment, leaving a total of $348 millon in this category at the beginning of FY 1981. Of this amount, the U.S. has been successful in programming in approved slices, all but $160 million. Funds for these approved projects will be authorized commencing in 1981, and the funds will be either recouped or deobligated shortly thereafter for those portions of the projects that are constructed to the austere NATO criteria. Of the remaining unprogrammed $160 million, approximately 70% is for NATO eligible projects that cannot now be programmed bacause of the limited amount of funds remaining in the slice group. Unless there is a substantial mid-term increase of the Infrastructure ceiling, those projects associated with Rapid Reactor or SACEUR Strategic Reserve aircraft will probably not be programmed by SACEUR before 1985.

To date, in FY 1981, $22 million has been recouped, and it is expected that the additional $28 million that will be required this year, will become available when needed.

Long Lead Times in Infrastructure Program In Report Number 96-1097, the House Appropriations Committee was distressed with the long lead time required to initiate and complete NATO Infrastructure funded projects. The Committee indicated that the Department should take steps to gain support for streamlined procedures that go beyond those already undertaken. The Department fully recognizes the need to reduce lead times to make the Infrastructure Program more responsive to urgent military needs and to bring all required projects into operational use as early as possible. NATO Committee and military headquarters have shared U.S. Concern with the long lead time and have been seeking ways to shorten the overall cycle while meeting the fundamental procedural steps established in the program by NATO nations. During 1980, SHAPE proposed several measures which could potentially shorten the programming portion of the cycle by 6-10 months (from project definition at military command/host nation level to publication in an approved Slice). Transition to the new scheme was initiated during the development of Slice 33. Considerable attention has been given to NATO and host nation procedures and constraints to determine changes or new techniques to accelerate implementation. Individual proposals will be considered by the NATO Infrastructure Committee. SHAPE has instituted a simplified status reporting system to enable them to more actively monitor progress in individual project implementation and to identify problem areas to the nation or agency concerned. Several semi-annual analysis reports have been published by SHAPE to the host nation MODs pointing out areas requiring additional emphasis. Actions have been taken to delete old projects no longer required which unduly inflate the apparent backlog of unimplemented projects. Progress has been seen in the form of an increased rate of funding requests being submitted to NATO for authorization, and a substantial increase in Joint Formal Acceptance Inspections being requested and conducted. Further attention is needed to produce more prompt development of fund requests and to shorten the time between fund authorization and start of contracted work. DoD will develop and propose a system for establishing priorities for implementation to be provided to NATO military authorities for guidance to host nations.

A concentrated and continuing effort is being made by the Department and NATO agencies to improve system elements under their control and to encourage and assist NATO nations to increase capabilities in order to expedite the program.

NATO Infrastructure Support of Persian Gulf Initiatives. The House Appropriations Committee in its Report Number 96-1097, and the Senate Appropriations Committee in its Report Number 96-931, expressed their view that the boundaries of NATO obligations and committments extend beyond the geographic boundaries of the NATO countries. The Committees believed that this was particularly true of European dependence on Mideast oil and the Committees believed the Allies should share responsibility for assuring its availability. The Department was requested to seek eligibility for NATO Infrastructure funding of military facilities essential to support Persian Gulf activities.

In the NATO-support context, the only facilities currently under active development in connection with Persian Gulf deployment are those in the Azores, particularly the base at Lajes. With the exception of a very limited number of projects, the Portuguese Government has made clear its preference for bilateral arrangements rather than NATO common funding. Any other facilities in the NATO area which might be used in connection with the Persian Gulf already have Infrastructure funded facilities. It is a fundamental rule of Infrastructure that common funds are not used outside of the NATO area.

As planning evolves for Persian Gulf operations it will become clearer which NATO-funded (or national facilities not now NATO-funded) might be required in support. DoD will actively pursue NATO eligibility and/or funding for any additional construction required. In so doing we must bear in mind that we will need explicit Allied agreement to use those bases for the kind of support envisioned by the Committees.

Prefinancing the Ground-Launched Cruise Missile (GLCM) in the United Kingdom. In FY 1981, there was one request for prefinancing: the Air Force sought $19,900,000 for construction in the United Kingdom in order for the ground-launched cruise missile (GLCM) to meet its planned initial operating capability (IOC) date. Negotiations over the basing site were delayed to the point that it was impossible to include funding in Infrastructure Slice XXXII, and inclusion in Slice XXXIII would not allow sufficient construction time to meet the IOC. Unlike the House, which denied the funding, the Senate Appropriations Committee as indicated in its Report Number 96-361, provided the $19,900,000 requested because of the importance it attached to upgrading the theatre nuclear capability of NATO. The Committee did, however, expect prompt recoupment of these funds and indicated it will make an offset against future infrastructure requests if such recoupment is not forthcoming.

Prefinancing of GLCM facilities in the United Kingdom was required because of delays in site selection negotiations and by the lack of agreed technical criteria to establish eligibility of the full scope of this project. These factors precluded NATO programming and fund authorization in time to complete construction and meet the IOC date. Site selection has been resolved and the

U.S.-proposed technical criteria have been developed; by end 1980 the criteria had been reviewed and modified in joint efforts of U.S., NATO military, and NATO headquarters authorities; formal NATO approval is expected as early as mid-1981. Although the project will not be sufficiently defined to be included in SACEUR's recommended Slice 33, due to NATO in early 1981, SHAPE has already indicated that when project definition is complete, they would seek advance programming and imputed fund authorization prior to approval of Slice 33. Depending on the timing of such action, the amount of U.S. funds expended may be reduced and some deobligations may occur. It is considered that very satisfactory progress has been made by U.S. and NATO agencies in site selection, development of criteria, and programming/funding, toward the timely contracting and construction of GLCM facilities in the United Kingdom.

Reserve Components. In Report 96-931, the Senate Appropriations Committee indicated that it would not consider any new projects in the Fiscal Year 1982 budget request until all prior-year Congressionally-approved projects which had been deferred by the Components, have been programmed or until the Committee has been satisified that such projects are no longer valid. The report also established additional reporting requirements and controls the use of the appropriations. In Report 96-1433, the Committee of Conference reaffirmed the Senate's direction.

To the extent possible, the Department has complied with this guidance. In this request there are over 30 projects from prior years which are currently of high priority and capable of being executed during Fiscal Year 1982. Also, we have submitted the required reports.

It is the Department's opinion, however, that the concern expressed by the committees may be misplaced. Since 1963, the Guard and Reserve construction program has been authorized and funded on a lump sum basis in recognition of the fact that these components need unusual flexibility to adjust their programs to the changing situations unique to those programs, particularly that portion located off post, in civilian communities, or affected by matching State funds. In 1979, the Appropriations Committees established "reprogramming" requirements to oversee the use of the flexibility provided under law. Since that time, numerous reprogramming requests have been approved by the committees. To date, not a single request has been denied nor has there been any indication that the change requested and approved could have been foreseen.

The Department suggests that the reporting requirements and the reprogramming procedures be eliminated as they create administrative costs, and unnecessarily complicate management of the appropriations.

Community Impact Assistance. Section 801 of Public Law 96-418 authorizes $5,000,000 to assist communities near MX Weapon System sites and $1,000,000 to assist communities near the East Coast Trident Base. Procedures are developed to transfer the MX sites funds and East Coast Trident Base funds through an appropriate Federal Agency. Section 802 authorizes the Secretary of Defense to assist communities located near MX Weapon System sites and the East Coast Trident base in meeting the costs of providing increased services and facilities. The assistance program will be carried out through existing Federal programs. The Departments of Navy and Air Force have been requested to develop assistance requirements. Section 803 directs the President to conduct a study to determine the most effective and practical means of mitigating the impact on communities caused by major new Defense facility construction. Conduct of the study has been delegated by OMB to the Economic Adjustment Committee. The study involves close cooperation with appropriate local and state officials. The draft study, together with comments and recommendations, is to be submitted to Congress by March 11, 1981. The final report will be forwarded by May 1, 1981.

Unilateral Programs. In its Report Number 96-931 on the FY 1981 Bill, the Senate Appropriations Committee expressed concern over 4 aspects of U.S. unilateral outlays in Europe. The Committee indicated that it expects:

1. Further recoupments. We anticipate no difficulty in recouping the $50 million planned for Fy 1981 to supplement the $250 million. We also, expect to recoup a further $40 million in FY 1982 and have asked for authorization to cover it.

2. Slowdown in Growth of U.S. Portion. We have long been urged by the Congress to shift as many programs as possible from U.S. national to NATO funding. We have been notably successful in recent years and this success has contributed to a rise in total infrastructure costs, thus in the U.S. share also. We cannot have it both ways and we assume the Congress in fact wishes us to continue to expand the scope of NATO Infrastructure funding. We may, in any case, be approaching the maximum capacity of the Infrastructure system, thus the $425 million needed for 1982 could be a maximum.

3. More Host Nation Support. DoD and State are actively pressing host na-

tions, in particular Germany, the Benelux, and the United Kingdom, to accept some HNS commitments. The responses have been generally favorable on wartime support and we are preparing to move with proposals for peacetime support and related programs to be funded, at least in part, by the host nation. Preliminary discussion on these have already taken place in Bonn. We do not expect that we can receive significant offset programs, as such, and we are concentrating our efforts in more specific areas like work-place rehabilitation.

4. Assistance and Offsets in Connection with Restationing. A first approach has already been made to the German Ministry of Defense through the U.S. Embassy in Bonn and has resulted in a postive preliminary exchange. We were able to deal with a number of German questions and to clarify the U.S. assumptions and objectives, particularly with regard to Phase II in which we expect to trade presently-occupied downtown real estate for new facilities nearer our assigned battle positions.

Solar Economic Analysis. The House Appropriations Committee in its Report Number 96-1067 recommended a limitation on funds for solar applications on military construction projects during FY 1981 such that no solar systems should be installed in new facilities including family housing unless they can be shown to be cost effective using the DoE life cycle cost analysis procedures published in 10 CRR 436. The constraints of 10 CFR 436 are subtly different from those contained in the FY 1981 Military Construction Appropriations Act (use of 90% of capital vice 100% and a 10% discount factor vice the 7% discount factor) but are significantly different from the direction of the Authorization Act which requires the use of no discount factor and no additional maintenance costs.

Since the FY 1981 Authorization Act amended 10 U.S.C. Section 2688 we are programming solar systems in new construction for the FY 1982 program using undiscounted dollars and no additional maintenance costs as a part of our life cycle cost analysis. As we pointed out last year this approach results in many more solar projects being identified as "cost effective" than would be using the criteria of 10 CFR part 436 or similar standard life cycle cost factors which we use to evaluate other energy conservation alternatives. We would prefer to use conventional unbiased economic analysis criteria for all energy options and prioritize our limited resources based on the greatest benefit from each option.

Fuel Cells. The House Appropriations Committee in its Report Number 96-1067 directed the Department to proceed with promising alternative energy sources including fuel cells. The Department is working with DoE in solar, coal-oil mixtures, the Federal Wind Energy Program and fuel cell application. Specifically in the area of fuel cells, the Services are working with DoE to competitively procure five fuel cell systems using the $2.5 million of exigent minor construction funds identified in the FY 1981 Authorization Act. These test applications will provide cost and reliability data on existing equipment and allow evaluation of the potential of fuel cells for future use.

Coal Conversion. The Senate Appropriations Committee in its Report Number 96-931 earmarked $18.8 million of planning and design money to be used for those coal conversion opportunities identified as cost effective candidates in order to proceed as expeditiously as possible. The Appropriations Act, Public Law 96-436 identified specific amounts to the Individual Services and extended their use to planning and design for activities related to the conversion of facilities to alternative fuels. The Department is completely supportive of the need to convert to alternative and renewable energy sources wherever cost effective and is encouraging the Services to give priority attention to related projects. The overall coal conversion program is being reviewed and will be updated during early April.

Solar Payback Comparsion. The Senate Appropriations Committee in its Report Number 96-931 directed that the Department review and justify any solar system application submitted in the FY 1982 budget not only according to DoD and DoE criteria but also against other energy programs. In order to give the Committee a means of comparing the relative cost effectiveness of solar system applications, they will be analyzed using the criteria used by the Energy Conservation Investment Program to insure conventional life cycle return on investment and the amount of energy saved per $1,000 of initial investment.

Solar Economic Analysis. The Appropriations Conferees in their Report Number 96-1433 directed that the Department review all solar projects in the Military Construction Program and fund only those projects which can be shown to be life cycle cost effective using the criteria of the Renewable Energy Resources Act. Section 405 of the Energy Security Act portion of the RERA directs the use of 100% Capital Cost, a 7% discount factor, the inclusion of appropriate maintenance costs and DoE marginal fuel costs. We are using the criteria of the FY 1981 Appropriations Act as the test for construction contract authorization in

FY 1981. The only difference in this criteria and that directed by the Committee is the use of DoD fuel escalation rates in lieu of DoE marginal fuel costs, which have not yet been published.

Purchase of Foreign Steel for MX. The Appropriations Committee Conference Report Number 96-1433 inserted Section 127 which provides that no part of the funds appropriated in the FY 1981 Military Construction Appropriations Act may be used for the purchase of foreign steel for the construction of the shelters or bases of the proposed MX missile system. The Department of Defense construction agent in executing this extensive construction program and will comply with this provision of the law.

Metering of Family Housing Units. The House Appropriations Committee, in their Report Number 96-1097, recommended and the Appropriations Conference Committee endorsed the position that the Department of Defense should meter new family housing construction and major modernization projects. Defense was directed to submit a plan for family housing metering that can be considered with the FY 1982 request. However, the Armed Services Committees rescinded the authorization for metering contained in the FY 1978 Military Construction Authorization Act. Accordingly, until a uniform Congressional direction is established, and Defense is authorized to accomplish metering, we have taken and will continue to take the following actions:

1. All new family housing construction and significant alternation or rehabilitation projects, as a minimum, will provide meter "drops" for electric and heating/cooking fuels for each unit--for detached single units, metering will be accomplished in all cases;
2. Continue our emphasis on energy conservation investment projects; and
3. Pursue consumer education programs within each of the services.

Housing and Urban Development Assistance Program. The House Appropriations Committee, in its Report Number 96-1097, stated that it believes the Departments of Defense and Housing and Urban Development are operating under a false assumption that we are making adequate progress in stimulating off-base housing in military impacted areas. Further, the Committee stated that we should face the reality of our failure and devote the necessary resources to develop a workable program.

The Committee, prior to making such statements did not fully consider the application for assistance approved by Housing and Urban Development (HUD) under its various programs, particularly in light of the general malaise affecting the housing industry throughout the country. There are numerous proposals at various stages if processing by HUD, and several projects under construction, which represent good progress in light of the limited assistance funds available to HUD, and the general economic environment which currently impedes the production of rental housing. A comparison of HUD programs available and DoD requirements (particularly in light of the new VHA), indicates that the structure of existing HUD programs is sufficient to provide the housing assistance the communities require to support military families. Since the communities have failed to take full advantage of the available HUD programs, DoD has proposed new construction in support of those military families which the community cannot accommodate.

DoD and HUD will continue to educate the communities near military installations on the myriad of HUD programs which could be used to our mutual advantage. We do not believe that DoD and HUD cooperative efforts, nor the agreed upon approach, have failed.

Surplus Family Housing Units. The House Appropriations Committee in 1979, in their Report Number 96-1097, directed the Department of Defense to apply the receipts from the sale of surplus family housing toward annual family housing operations and maintenance or construction instead of against debt retirement. This was recommended because of the low rate of interest on the family housing debt account and the high rate of interest on federal borrowing. Such action could not be accomplished in the FY 1981 budget because of existing laws.

During 1980, however, the DoD sought and obtained new authorization to accomplish the recommendation. Accordingly, in the future, DoD will apply the receipts from surplus property directly toward the family housing operations, maintenance and construction areas of the account, which will reduce the requirement for future appropriations.

Fort Stewart, Georgia, Family Housing. The House Appropriations Committee, in the Report Number 96-1097, directed the DoD designate 100 of the 200 units recommended at Fort Stewart for E1-E4 housing. Accordingly, guidance to this effect was provided to the Army. One hundred units will be built and designated for occupancy by the lower pay grades. Additionally, a certain number of those 100 units will be only one bedroom units based on data that shows about 72% of such families are husband and wife only.

Maintenance. The House Appropriations Committee, in their Report Number 96-1097, expressed concern that costs for maintenance and repair of dwellings average $2,000 per unit per year, and noted that the average annual salary paid for persons doing repair work ranges from $18,000 to $21,000. The Committee indicated DoD should examine existing opportunities for competitive contract work to see if the cost of repair and maintenance work would be reduced.

The matter of determining the feasibility if contracting out maintenance and repair work of the family housing inventory is a continuing action, based on commercial/industrial surveys accomplished at the local level. Several contracts have been negotiated this past year at various installations. OMB Circular A-76 requires the conduct of such reviews and, as indicated above, such analyses are a continuing action.

Leasing of Family Housing. The Appropriations Conference Committee, in their report Number 96-1422, expressed that, through the use of the 10-year lease term authority for foreign areas, leasing of family housing in such countries as Germany and Great Britian has become so expensive that it would be more economical to use appropriated funds for new construction. The Committee stressed the need for additional host nation support for our presence overseas and the Department of Defense was directed to work with host nations to obtain both site and housing assistance. The committee also directed that $500,000 in family housing planning funds be used to plan new construction units overseas and deleted $10 million for new lease agreements and directed DoD not to proceed with any new lease construction overseas. The conferees indicated DoD needs to more thoroughly justify its leasing program and that the variable housing allowance (VHA) will reduce the required number of domestic leases, thus providing increased flexibility in the leasing account.

Department of Defense policy requires that proposed long-term lease construction projects in foreign areas be supported by an economic analysis which considers new construction as an alternative. DoD has continued to work with host nations to obtain housing assistance, which is evident by the approval from the German State of Hessen in CY 1980 for a 10 million Deutsche Mark set aside to subsidize the interest on mortgages on U.S. lease construction projects. Also, based on the potential for using foreign government-owned land, a project at Greenham-Common, United Kingdom, is included in the FY 1982 program for new family housing construction in foreign areas vice leasing.

In accordance with the Committee reports, the Department has assigned dollar limitations and has retained approval authority at the Office of the Secretary of Defense level for new lease construction agreements in foreign areas. The Department proposes to proceed with current policy which considers the most cost-effective means of providing housing by reviewing the economic feasibility of leasing compared to new construction and continue to work with host nations to obtain housing assistance.

Coordination of Family Housing between Services. The House Appropriations Committee, in its Report Number 96-1097, expressed its pleasure to see a consolidated family housing project proposed in San Francisco and to learn that similar programs are being developed for existing housing areas. The Committee desires that the ongoing program be greatly expanded during the next year and indicated specific DoD policy proposed this year should be implemented. The Department of Defense was advised to be fully prepared to brief the Committee on this area during the FY 1982 hearing.

The Department of Defense continues to encourage consolidated family housing operations. Specific guidelines for selecting locations for consolidation studies and criteria for determining the feasibility of consolidating housing for adjacent installations has been developed and promulgated to the military departments. The Department of Defense proposes to work jointly with the military departments in identifying and selecting locations for conducting feasibility studies. Our objective is to improve the effective use of available resources in support of military family housing requirements. We are proceeding with the FY 1981 project for a Defense Complex in South Bay, San Francisco, California, and continuing the review for consolidated managemnt on Oahu. The areas where consolidations will be or have been effected include Richards-Gebaur Air Force base, Missouri; Niagara, New York; Hamiliton Air Force Base, San Francisco, California; and Okinawa. We will continue to proceed with consolidated family housing projects and functions where it is economically feasible.

Unaccompanied Personnel Housing. The House Appropriations Committee, in its Report Number 96-1097, has expressed its feeling that DoD should develop a consistent program for improving unaccompanied personnel housing and indicated there needs to be a more carefully controlled central process for assuring that unaccompanied personnel are housed in modern accommodations which meet both health and safety standards. The Committee noted the variance among the services in devoting the necessary resources to address this problem in a comprehensive manner, and directed DoD to submit a multi-year plan for the standard improvment of unaccompanied personnel housing.

The Service will be directed to submit a multi-year plan for the improvement of their unaccompanied personnel housing which will affect the outyears.

Budgetary restraints on the program in previous years have been caused by other higher priority requirements for the military services, particularly in the weapons system area. However, the FY 1982 construction program which totals $352.7 million, exclusive of dining and other support facilities, reflects an increase of $125.4 million from the FY 1981 program of $227.3 million. The additional resources in the FY 1982 program reflect a greater commitment by the military services to substantially improve the housing conditions of unaccompanied personnel.

Relative to improving program administration of unaccompanied personnel housing, the Department of Defense has proceeded with plans for an improved management system for inventory and occupancy reporting. The initial inventory reporting date will be September 30, 1981. Plans are also being developed for an unaccompanied personnel housing cost report for additional management control of resources.

Family Housing Program. The Appropriations Conference Committee, in Report 96-1433, stated that DoD is not doing an adequate job of either managing or justifying the family housing program and, since this is an area of great importance to the stability of our armed forces, deserves additional attention. The conferees further stated that DoD should either allocate the resources necessary to mangage the program centrally or return the responsibility to the individual services.

Returning total responsibility for family housing to the individual services would not in itself improve management, but would result in a decentralized and unbalanced program. The Department believes that, in the framework of participatory management, the downstreaming of authority to the lowest practicable level within the services is consistent with reduced personnel resource levels directed by Congress and works well despite certain inherent drawbacks. The Office of the Secretary of Defense establishes policy and issues procedural guidance, and maintains management control through the centralized account. Operational control is strictly a service responsibility under delegated authority. Accordingly, we intend to retain family housing as a central account, but delegate authority for decisions to the maximum practicable degree within the Services, consistent with personnel resources provided.

On the matter of justifying the program to the Committee, it should be noted that the program manager (Office of the Deputy Assistant Secretary of Defense for Installations and Housing) provided all the data requested by the Committees and their professional staffs and responded factually to all questions.

Land Taxes in Foreign Countries (Conference Appropriations Committee Report Number 96-1433). It should be stressed at the outset that much of the current actions underway (and some past actions) are classified and accordingly cannot be covered in depth in this paper. For this reason, testimony on this subject must be selective, and in-depth exchanges with Committees must be in "Executive Session."

In FY 1980, $5.7 million in O&M for family housing was denied by the House Appropriations Committee. This amount was associated with the payment of land taxes in Germany, and contributions in lieu of rates in the United Kingdom. The Committee directed, in its Military Construction Report, that DoD begin immediate negotiations to eliminate the payment of taxes on family housing. Accordingly, we called the Committees' views to the attention of the Chairman of the Inter-Agency Committee on Foreign Tax Relief (ICFTR). The Chairman of that Committee, a State Department official, was requested to initiate appropriate action. The ICFTR did initiate action through diplomatic channels (specifics are classified); meanwhile, since existing international agreements specified such payments, we continued to pay taxes rather than unilaterally abrogate the agreements.

The above was made known to the Committees during testimony on the FY 1981 legislation. The House Appropriations Committee succeeded in obtaining legislation in the Military Construction Appropriation Act forbidding the payment of taxes with military construction or housing funds (emphasis added). The legislation states:

> "Section 120: None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation."

Accordingly, we issued guidance to the DoD components to this effect, by memorandum dated November 10, 1980.

Meanwhile, work is progressing in seeking revisions to agreements with the United Kingdom and the Federal Republic of Germany for relief from tax payments. Actions in this area are classified. Additionally, the General Accounting Office (GAO) issued a classified report (B-198641) on December 15, 1980, titled "Department of Defense Still Paying Some Foreign Taxes." GAO stated that "DoD and State have initiated actions to obtain further tax relief...(and)...have made some progress in reducing the tax burden."

Enclosure 6

FY 1981 SUPPLEMENTAL MILITARY CONSTRUCTION PROGRAM

		($000)	
Installation	Project	Auth	Approp
	ARMY		
Vilseck, GE	Ammunition Igloos	$ 1,800	$ 1,800
	Vehicle Maintenance Shop	(FY1981)	2,600
	Battalion Headquarters/ Classrooms	(FY1981)	1,050
	Barracks with Facilities	(FY1981)	5,550
VARLOCS	Planning and Design	(31USC723)	34,500
VARLOCS	Purchase Indices Reduction	(NA)	-11,100
	SUBTOTAL	$ 1,800	$34,400
	NAVY		
MCAS El Toro, CA	Tactical Support Van Pad	2,000	2,000
NA Mombasa, Kenya	Dredging	(FY1981)	9,000
VARLOCS	Planning and Design	(31USC723)	26,000
VARLOCS	Purchase Indices Reduction	(NA)	-9,138
	SUBTOTAL	2,000	27,862
	AIR FORCE		
Classified	Support Facilities--TIADS	50,000	50,000
Cannon AFB, NM	Sound Suppressor Support Facilities	420	420
K.I. Sawyer AFB, MI	Sound Suppressor Support Facilities	540	540
Luke AFB, AZ	Sound Suppressor Support Facilities	440	440
Laughlin AFB, TX	Logistics Complex	4,700	4,700
Maxwell AFB, AL	Technical Library	(FY1981)	6,500
VARLOCS	Planning and Design	(31USC723)	76,500
VARLOCS	Purchase Indices Reduction	(NA)	-15,000
	SUBTOTAL	56,100	124,100
	DEFENSE AGENCIES		
VARLOCS	OSD Contingency Construction	(Prior)	15,000
Fort Meade, MD	Site Preparation for Relocatable Buildings	230	230
	COMFY LEVI	495	495
	Automatic Waste Collection Utilities Enclosure	175	175
VARLOCS	Planning and Design	(31USC723)	14,000
	SUBTOTAL	900	29,900

	GUARD AND RESERVES		
Barnes Municipal Airport, MA	Avionics Weapons and Release System Shop	1,630	1,630
	Fuel Systems Maintenance Dock	1,270	1,270
	Composite Squadrons Operational Facilities	950	950
	Munitions Maintenance and Storage Facilities	650	650
Dobbins AFB, GA	Power Check Pad with Suppressor	500	500
Fort Wayne MAP, IN	Power Check Pad with Suppressor	500	500
Hulman Field, IN	Power Check Pad with Suppressor	500	500
Naval Air Station New Orleans, LA	Power Check Pad with Suppressor	500	500
	SUBTOTAL	6,500	6,500
	FAMILY HOUSING		
VARLOCS	Construction	(FY1981)	18,000
VARLOCS	Operations and Maintenance *	16,022	117,600
VARLOCS	Pay Supplemental	(FY1981)	17,938
VARLOCS	Purchase Indices Reduction	(NA)	-24,000
	SUBTOTAL	16,022	129,538
	GRAND TOTAL	$ 83,322	$352,300

DEFENSE AGENCIES, OVERSEAS DEPENDENTS SCHOOLS, CLASSIFIED WORK, AND FISCAL YEAR 1981 SUPPLEMENTAL REQUEST

Mr. Chairman and Members of the Committee:

It is a pleasure to appear before your Committee to present the Fiscal Year 1982 Defense Agencies Military Construction Appropriations request. The Department of Defense request for appropriations is $354,100,000 for six Defense Agencies, the overseas dependents schools and for classified work by the Secretary of Defense. In addition, the FY 1981 supplemental requests $29.9 million.

I would now like to discuss briefly the elements of this request.

The Defense Communications Agency requests $900,000 for a single project in Vaihingen, (Stuttgart) Germany. This is needed to expand the present agency building at Patch Barracks to accommodate the new mission of managing the European Telephone System and to correct deficiencies in the shipping and receiving area where computer and telecommunications equipment spare parts are stored. Overcrowding has been a problem in the present facility since the mid-1970s when regional offices in Spain and the United Kingdom were centralized at Stuttgart.

The Defense Intelligence Agency request for $72.5 million will provide for the final phase of a new Analysis Center for that Agency at Bolling Air Force Base, Washington, D.C. Bids were received on February 18, 1981, for the first phase of this work which includes the option to complete the facility with this request. $32.7 million was provided in FY 1981 for the first phase.

The Defense Logistics Agency request for $71,554,000 will provide eighteen projects inside the United States and three projects outside the United States. The overseas projects total $44,980,000. Those projects within the United States are to improve storage and distribution of DLA products and also includes several projects to upgrade safety and to reduce energy consumption. Overseas projects include a new property disposal office in Kaiserslautern, Germany, and fuel storage facilities at Wake Island and in Korea to support our Far East contingencies.

The Defense Mapping Agency is requesting $10.8 million for building alterations and equipment relocation at the Aerospace Center in St. Louis. The project will expand the security and environmentally controlled areas to accommodate increasing workload and additional production equipment. The project will allow separation of heavy industrial print operations from sensitive photogrammetric, photographic and cartographic plotting equipment.

The Defense Nuclear Agency requests $500,000 for a single specified minor construction project to upgrade insulation and to replace exterior siding and roofing on Radiobiology Research Institute buildings at the National Naval Medical Center in Bethesda, Maryland. This project will improve the environment under which sensitive specialized research projects are conducted.

The $57.6 million requested by the National Security Agency includes $55.1 million for a building addition at the headquarters, Fort Meade, Maryland, as part of a long-range program to accommodate increased mission requirements and consolidation of operations. NSA has exhausted all alternatives to this construction and will still continue to lease large amounts of expensive operational space even after this project is completed. A second project for $2.5 million will provide for the installation of fire protection equipment in the existing operations building at Fort Meade. In addition, the FY 1981 supplemental provides three minor construction projects for $0.9 million.

Included in the request for the Office of the Secretary of Defense are three classified projects for $14.1 million and $64.2 million for eleven projects for Dependents Schools. Dependents schools were originally to be transferred to the Education Department this year, however, that decision has been deferred for further study.

The Department of Defense requests $30.0 million for emergency construction. This is necessary to give the Secretary of Defense the capability to immediately respond to unforeseen situations which effect the security of the nation, or to fund other sensitive requirements which cannot wait for the normal budget cycle. The turbulance experienced over the past few years will no doubt continue as the Soviet bloc uses its third world allies to destablize the existing order. Th $30.0 million is considered the minimum necessary for FY 1982 to provide facilities to respond to these situations. In addition, the FY 1981 supplemental provides $15 million for the unfunded prior authorization for this important authority.

For Unspecified Location Minor Construction the request provides $4.0 million. This is for projects costing less than $500,000 which historically arise during the year out of cycle with the budget and which are needed prior to the availability of subsequent year construction funds.

The FY 1982 request includes $28.0 million for planning and design. This is a considerable increase, however, the Congressional reductions of last year have left us without funds to begin design of the FY 1983 program. Together with the supplemental FY 1981 request of $14 million, this program must cover all of the FY 1983 program and the initial work on the FY 1984 program.

In conclusion, I would like to thank the Committee for your past understanding and support of the Defense Agencies Construction Program. With me today are members of my staff and representatives of the Defense Agencies. Together, we are available to respond to your questions.

Thank you.

FAMILY HOUSING PROGRAM AND HOMEOWNERS ASSISTANCE PROGRAM

Mr. Chairman and Members of the Committee:

I am pleased to appear before this Committee to present the Department of Defense Military Family Housing Program and the Homeowners Assistance Program for Fiscal Year 1982.

In my overview statement on military construction, I stated that quality-of-life embraces a range of programs and individual projects designed to create an environment which recognizes that our Armed Forces personnel are our most important asset. The human dimension of military service is generally regarded as a highly pertinent variable in the recruitment, retention, discipline, morale, and readiness of military members. The adequacy and availability of family housing affect the individual's environment to a very high degree.

The fundamental basis for the Family Housing Program is the welfare of our military families. We are mindful of the positive influence adequate living conditions have on personnel and consider family housing an integral part of Department of Defense programs to improve the quality of military life. From this philosophy emerges our primary objective of the Family Housing Program, "to assure that all members of the Armed Forces with dependents have suitable housing in which to shelter their families."

The Department of Defense, as a matter of policy, relies on private sector housing for military families to the extent it is available near our installations. We seek to augment such community support where unfulfilled requirements cannot be accommodated by a combination of additional private sector construction and existing on-base housing assets. In this context, the Department of Defense Family Housing Program for FY 1982, approximately $2.4 billion, is an essential aspect of the quality-of-life experienced by our military personnel. The program provides for construction of new units, leasing of private community housing, amortization of outstanding debt, and improving, operating, and maintaining approximately 400,000 units in the inventory in a manner which will efficiently and effectively use available resources in the most economical manner.

At this point, I would like to recount for you the unique features of the Family Housing Program that set it apart from other programs in the Department of Defense. Recognizing its importance and desiring to enhance as well as increase the visibility accorded, the Congress established the Family Housing Management Account. Part or all of sixteen different appropriations available to the Miltiary Departments were combined. These sixteen accounts, reviewed in the past by various Congressional Subcommittees, had been used to finance various Defense family housing functions, rendering overall program management, review and control virtually impossible. The single account provided the vehicle for improved and more efficient, effective, and economical administration and coordination of the Department of Defense Family Housing Program. We strongly believe that this program has helped to provide the higher visibility desired, enhance management, and meet Department of Defense housing objectives.

Amounts made available for family housing total $20 billion over the nineteen year life of the Account (1963 - 1981). Construction authority provided for approximately 101,000 units, roughly 26 percent of our present inventory, plus necessary resources to improve certain housing units to bring them to livability standards current at the time. Of the $20 billion made available, some $13.6 billion was to support operating and maintenance of the inventory. It is interesting to note that in 1963, excluding debt payment, construction accounted for 44 percent of the budget and O&M 56 percent. The FY 1982 program shows the most recent example of how program content has changed to reflect the size of our inventory and the resources needed just to stay in business; in FY 1982, construction accounts for 13 percent and O&M 87 percent. We believe that the Account continues to be an effective means of applying resources to this important, complex program in an orderly and reasoned manner.

A comparison of this year's proposed program with pertinent element breakouts for the previous two years is shown below. The level of construction reflects the need to continue the acquisition of new units to accommodate families where present and planned community support is unavailable, particularly for areas impacted by personnel increases associated with new missions and weapon systems. The post-acquisition construction pattern reflects the need to establish a level of effort to modernize existing on-base housing in view of the increasing age of the inventory, now at an average age of approximately 22 years. This pattern parallels the need to continue the maintenance of the inventory in acceptable condition. The trends also reflect the utility cost increases we are experiencing in the housing operations area.

FAMILY HOUSING DEFENSE
SUMMARY OF SELECTED PROGRAM AMOUNTS
($000)

	Actual FY 1980	Estimated FY 1981	Requested FY 1982
New Construction	-0-	143,541	168,785
(No. of units)	(-0-)	(2,651)	(2,117)
Post Acquisition Construction	1,000	93,321	109,819
Advance Planning and Design	-0-	4,500	9,100
Leasing	88,200	113,717	122,317
(Average occupied leases)	(16,922)	(18,055)	(18,258)
Debt Payment	156,978	151,856	150,103
Operation and Maintenance	1,459,399	1,671,647	1,827,264
(Operation)	(734,490)	(887,022)	(991,447)
(Maintenance)	(724,909)	(784,625)	(835,817)
Less: Resources Applied	- 16,400	- 22,500	- 20,500
Total Family Housing	1,689,187	2,156,082	2,366,888
Homeowners Assistance	1,000	-0-	2,000
Grand Total	1,690,187	2,156,082	2,368,888

In Fiscal Year 1982, the Department of Defense request for construction or acquisition of new family housing units will continue our efforts to reduce the buildable programmable deficit at installations where other methods of housing assistance, including the Variable Housing Allowance will not provide sufficient adequate housing to support military families. Significant progress has been made, with the support of this Committee, in reducing the deficit. With the advent of the Variable Housing Allowance, we are closely observing the impact on the deficit, including the affect it might have on the pay grade levels of the married members utilizing our housing inventory. For example, we might anticipate an increasing trend of senior married members choosing to reside in private housing for selected communities where adequate housing is now affordable under the Variable Housing Allowance system. As more junior enlisted families occupy our existing on-base housing, our deficit in certain areas might decrease. Accordingly, our need for additional on-base military construction considers only the areas where adequate housing is not available, irrespective of cost. We also recognize that housing starts in the private sector do not meet the low and moderate income needs of this coutnry. Based on these trends, we have initiated programming of one-bedroom housing units for lower pay grades and have proceeded with plans for assignment tests with a view towards expanding eligibility to all pay grades except for recruits and trainees.

For the Homeowners Assistance Program we are reqeusting appropriations of $2,000,000 for Fiscal Year 1982. Normally the resources necessary to finance this program are derived from the sale of properties acquired by the Government. Since anticipated sales have not materialilzed because of the poor housing market, the amount requested is necessary to replenish the fund with resources to preclude the potential of funding shortfalls.

Now I will discuss briefly some of the aspects of the Family Housing Program which I believe are of particular interest and significance.

CONSTRUCTION

The family housing authorization request contains a new construction program of 2,117 units at 10 locations for a total of nearly $169 million. This year's program, which contains 1,441 units for CONUS installations, 670 units overseas, and 6 units at a classified location, will accommodate the most urgent needs for new construction. The CONUS portion of the program will provide 500 units to relieve deficiencies in tight housing markets with insufficient housing support, and 941 units to assist families assigned to locations with additional homeporting of ships, new weapon systems, or new missions such as the National Training Center at Fort Irwin, California. These CONUS units are almost entirely in support of enlisted families in grades E-6 and below, with part of the Kings Bay project reflecting the introduction of programming for one-bedroom units and an assignment test to support the lower enlisted grades, primarily grades E-3 and E-2. The overseas portion will accommodate families located in unsuitable housing at Incirlik Air Base, Turkey, and married members assigned to the Ground Launched Cruise Missile Facility at Greenham-Common, United Kingdom. Based on the availability of government-owned land in the United Kingdom, a current economic analysis for Greenham-Common supports new construction acquisition as being more economical than leasing. The Department of Defense also proposes legislation that does not require the acquisition of sole interest in housing in foreign areas. This will permit the Department to consider acquiring housing when foreign government-owned land is unavailable. Examples of creative approaches under this legislation might be acquisition of housing on land under long-term lease or cooperatives, when it proves to be in the best interests of the Government.

The FY 1982 Post Acquisition Construction Program provides $110 million. The request includes $45 million for energy conservation projects. These programs represent the minimum essential level of effort for modernization of the existing inventory and provision of energy efficient improvements to our housing units. Examples of our proposed efforts include insulation, storm windows, night setback thermostats, as well as the elimination of standing pilots on gas furnaces and the installation of flue dampers to reduce energy.

Within the total we are requesting $5.8 million for minor construction. This amount is necessary to provide the flexibility at the lowest practicable level to accomplish replacement of fire damaged houses and perform minor improvements required to enhance habitability.

DOMESTIC AND FOREIGN LEASING PROGRAMS

The domestic and foreign leasing programs authorize the leasing of housing in the civilian community, under specific criteria and cost limitations, for assignment to military personnel as public quarters. These are supplements to our balanced effort to assure adequate housing for service members and their families.

The domestic leasing program of $8.6 million proposed for FY 1982 reflects the phase down of this program for locations where the Variable Housing Allowance will allow members to obtain adequate housing in the community. We plan to continue the domestic leasing program through FY 1982 for particular requirements involving exceptional circumstances; for example, leasing for selected recruiters assgined to independent duty in high-cost urban areas where the Variable Housing Allowance is not as yet structured and funded properly to provide the necessary assistance.

The program provides for an expansion of the foreign leasing program for FY 1982 from the current limitation of 17,000 units to a new authorization level of 22,000 units. The Military Departments have a present need for 20,000 units comprising over 16,300 units that are currently executed and 3,700 additional leases on which they could proceed with advertisement and negotiations. Based on the projected housing requirements in Europe we believe it necessary to have a 10 percent flexibility to pursue agreements for an additional 2,000 lease units. This would provide the Department of Defense the flexibility to relieve critical housing deficiencies as opportunities are presented.

In addition, the program provides an increase in the number of exceptions permitted to the foreign leasing maximum cost from the current authorization of 150 units to 200 units. This is necessary if we are to continue leases for Defense attaches, special representational positions and personnel on assignments impacted by extreme housing cost escalation. Housing cost escalation experienced in foreign areas has averaged 22 percent with some areas experiencing 100 percent inflation or greater. The requirements for these units have been reevaluated and determined to be essential to the performance of the United States mission in foreign areas.

OPERATION AND MAINTENANCE

For Fiscal Year 1982 the Department of Defense is requesting $1.8 billion for the operation and maintenance of family housing excluding leasing and debt payment. This year we are continuing initiatives to enhance efforts to effectively manage Department of Defense housing assets. The Family Housing Management Account will bear all indirect family housing support costs to improve our ability to monitor and evaluate total family housing operation and maintenance costs. To accommodate this functional transfer, $73.5 million for FY 1982 was shifted from other Service accounts to Family Housing during formulation of the FY 1982 budget. Accordingly, $73.5 million of the increase in Family Housing from FY 1981 to FY 1982 is offset by a corresponding decrease in the Defense budget requests for these other accounts. Of the $1.8 billion request, 46 percent is for maintenance and 54 percent for operations. The operations area is comprised of management, services, utilities, furnishings, and other miscellaneous items. The largest element within the operations area is utilities, which accounts for 69 percent of operations costs. Any significant deviation from utility cost estimates used to structure the budget can, as in the past, impact the program to the extent that funds must be reprogrammed from the maintenance account. It is not practical to cover shortfalls in utilities by reducing management, or other services. The increase in operation and maintenance reflects the minimum essential increase necesssary to maintain desirable living accommodations important for the support of our personnel and their families.

SUPPLEMENTAL REQUEST FOR FY 1981

A total of $129,538,000 is required in supplemental appropriations for FY 1981. Of this amount $111,538,000 is required for operations and maintenance and $18,000,000 for construction. In addition and in order to restore flexibility for management of the program, relief from the 100 percent maintenance floor is urgently needed. The Appropriation Act of 1981, in effect, made the floor and the ceiling the same. This is unworkable and deprives the Department from taking management action to relieve specific conditions, such as unanticipated increases in utilities costs. We propose to transfer $27.1 million from maintenance which together with the additional appropriation of $111.5 million is required to cover the expected funding shortfall for operations. Severe adverse consequences are being experienced in the operations area, primarily due to the increased cost of purchased utilities ($76.8 million impact) and the October 1980 pay raise ($17.9 million impact). Funds which normally would have been allocated for the third and fourth quarters have been moved forward to earlier quarters in order to maintain minimum essential operations and services. Additionally, the $18,000,000 required for construction is necessary if we are to initiate new construction at Tinker Air Force Base, relocate surplus housing to Lajes Air Base, and proceed with authorized improvement and minor construction projects. However, because the funds appropriated for FY 1981 were significantly less than that authorized, only an additional $16,022,000 is required in new authorization for appropriations for operations and maintenance. The total amount of new appropriations needed of $129,538,000, and relief from the maintenance "floor" will be needed to continue operating the inventory in the fourth quarter. Lack of these funds would result in layoffs of personnel, cancellations of contracts, and overall general curtailment of housing support to military families with attendant adverse morale implications.

CONCLUSION

In conclusion, I am appreciative of this opportunity to appear today to present the Department of Defense Fiscal Year 1982 Military Family Housing Program. I have attempted to provide you with a broad outline of our continuing programs and new initiatives to achieve the Department of Defense objective of providing adequate family housing to the members of the Armed Forces. I would like to express my appreciation for the continuing support of this Committee. My staff and I are available to answer your questions, and would be pleased to provide such additional information as you might require. Thank you.

PROJECTIONS ON INFLATION FACTOR

Senator **Laxalt**. Thank you, Mr. Fliakas.

What projections have you on the inflation factor for the balance of 1981 and 1982?

Mr. **Fliakas**. We have amended the 1982 program to reflect a deflator, if you will, of the previous 9 percent factor that was used in the Carter submission. For fiscal year 1981, the balance of this year, we have reduced the factor to 7.2 percent. In 1982, 6.8 percent. In 1983 5.8 percent.

Senator **Laxalt**. Where did you get those numbers?

Mr. **Fliakas**. These were derived from the Office of Management and Budget in a directive. As a consequence the price of every project in the 1981 and 1982 program and the reduction in those programs attributed to this deflator, if you will, was $60 million in 1981, $164 million in 1982. As you know, Mr. Weinberger has pledged if this is unrealistic he will come back.

Senator **Laxalt**. He will have to, of course.

Mr. **Fliakas**. Yes, sir.

Senator **Laxalt**. In determining the inflation factor for military construction is there a different factor applied than to the community generally?

Mr. **Fliakas**. Yes, last year we experienced a somewhat lower inflation factor in construction than the CPI indicated. But we have been burned very badly in the past because of unrealistic inflation rates and as a consequence you will find in this budget some $380 million that we call short fall money to make up the difference in authorized and approved projects that we cannot fund because of inflation.

Now that really happened to us primarily because of the advanced state of the art type of facilities such as the Space Shuttle program where the Air Force has very serious overruns in the Space Shuttle facilities. Any time you try to design and construct a project at the same time that the project is under development it becomes very difficult and they have over a 100 percent overrun on the Space Shuttle.

Normally what we try to do, Mr. Chairman, is to project the rate of inflation in construction to the midpoint of construction of that project. So that on a 1982 project, for example, with an 18-month construction time we project a rate into 9 months after the award date, after the intended award date on that particular project.

BUDGET PRIORITIES

Senator **Laxalt**. We are not getting into great detail because of the nature of this hearing. We just want to get the general picture and you are doing that for us. Of course, you are looking at two security minded Senators. We also feel our responsibility very keenly on the budget side. Have you developed for either the 1981 supplemental or the 1982 budget a list of priorities?

Mr. **Fliakas**. No, sir.

Senator **Laxalt**. Do you think that might be in order? We may get down to the point here—I hope we don't—where we will have to do a little bit of picking and choosing in military construction.

Mr. **Fliakas**. No, sir, we have not done this. Our practice, of course is not to do that.

Senator **Laxalt**. Is there any reason for that?

Mr. **Fliakas**. Yes, sir. Once the President's budget is submitted every project is considered to be of a high priority. It has been subjected to a very, very close scrutiny. There are many projects that didn't get in that are valid projects and that we will have to defer. I am here to defend the President's budget. We think they are valid projects and all are necessary.

Senator **Laxalt**. We would not expect you to do otherwise. We feel, also, our responsibility; we are not doing our job if we don't take a second look. Would it be onerous on the part of you people to submit to the subcommittee at an appropriate time list of priorities on this same work?

Mr. **Fliakas**. If you so desire, sir, even though it might be onerous.

Senator **Laxalt**. I don't want you to do it for the hell of it. As I say, defense is very dear and important to us but I don't consider defense to be a sacred cow any more than anything else. It is our responsibility to pull as much fat out of this budget as we can, including defense.

Mr. **Fliakas**. I will undertake to do that, sir.

Senator **Laxalt**. Would that be onerous? We don't want to lay something on you that does not make sense.

Mr. **Fliakas**. It makes sense from your point of view, I am sure. It is not onerous but certainly it is difficult for us. The administration of course, OMB, the Secretary, and the President—I can be very general or I can be specific if you would like, but in general of course our main concern is to support the structure of deployment, weapon systems, and that type of thing. What I fear, sir, is when we do that, certainly the initiative in the Indian Ocean/Persian Gulf, we have agreements with countries, the same way with NATO, this would be a political and diplomatic concern if we don't meet our commitments. I fear that when we do that and we have what we call programs that are directed on the services, you must provide for energy conservation, you must provide for pollution abatement, it is the law of the land.

Senator **Laxalt**. Those are two obvious factors. We need that as much as we need the dollars.

Mr. **Fliakas**. When you take all these defense programs there is precious little to spread to all the major claimants and major commands who have a list of valued projects as long as my arm that have to be deferred. The result is that we will end up affirming why are we in this state that we are in? We have a World War II plant essentially that is falling down around our ears. It is 25, 30 years old. I can give you by category what the average age is. What happens when you make a decision to defer? What do you end up deferring? Sure, you might say do we need a chapel or do we need a child care center? Where do you say, well, let us wait? What we have tried to do is present a balanced program, we think it is balanced. Now if you so direct, I will have to get clearance from the Secretary and I will endeavor to provide you at least with some kind of guideline.

Senator LAXALT. I think the subcommittee can confer with you on that and see where we are going. Having been a Governor and Senator Garn having been a mayor, we have sat down and discussed those things. If you are operating within fiscal restraints you have to come to a balanced budget.

Mr. FLIAKAS. I understand. It is very difficult for me to play off a child care center, for example, against a maintenance shop. You cannot relate it.

Senator LAXALT. It is tough for you. That is where our responsibility comes. When it gets down to that that is a shot that we have to call.

PERMANENT AND TEMPORARY HOUSING FACILITIES

Senator GARN. You have a difficult problem. Let me ask you a question about something that is not so difficult. Let me give you a specific example. Several years ago I was still flying in the Reserve, particularly in the Military Airlift Command. I happened to be a lieutenant colonel at the time.

The Air Force started enforcing the rule that lieutenant colonels and above were entitled to private rooms. That is fine if you are going to be there for a few weeks. For those of use who were on 10 hours crew rest you just really wanted a bed. It did not make any difference where or how. You would get rested and get back on the airplane. As a result of the private room regulation there were not sufficient quarters. Therefore, the Air Force was sent downtown to construct facilities, new motels, and so on, in Honolulu, very pleasant but obviously at an additional cost to the Government. I have been on the inside of the military for 25 years. You may have a tough choice between a church and a day care center and that kind of thing. In my experience there has been a lot of this other kind of thing going. If you have permanently stationed personnel, fine, enforce the rule, give a lieutenant colonel a private room, but not just passing through on crew rest. There have been all kinds of that kind of thing in the military. I am more interested in assurance that you are not making decisions of that kind and furnishing facilities so that a transient officer can sleep in a private room rather than having a roommate for 10 or 12 hours.

Mr. FLIAKAS. I can give you that assurance because that is what we are doing. We not only will have those requirements placed on us but there is enormous pressure on us to house not only the transients that are very valued and necessary requirements but civilians, not only DOD civilians but even for Labor Department for these people who go around in their compliance board or what have you, trying to house them, one man to a room, grade 7 and up.

WASTE IN MILITARY BUDGET

Senator GARN. What Senator Laxalt and I am talking about here is the budget crunch. You have two people who have always defended the military, even before it become popular; we have been out on the limb for a long time. I am saying this not as a Senator, but as a veteran in the military service. There is a lot of waste. When I have a choice between building a B-1 bomber, a needed weapon system, I don't care whether I get a private room or not. I don't care as a Senator whether I get a private room on a stop. If we are going to cater to grade 7 and above, majors and lieutenant colonels, then we are sometimes forced to make cutbacks in other areas, where the need exists for enhanced combat capability. The military service, in my opinion, is making a great mistake when we play those kind of games.

I have also observed this business at the end of the year in the officers club. "OK, we have some bucks in the military construction area. We had better spend it and put up that new paneling," whether it is needed or not. This is firsthand experience over a period of 25 years. As a defense advocate that bothers me. That money ought to be used for other things. I am willing to support more pay, more incentive and educational benefits and all sorts of things on the manpower retention problem but this other game in the military construction area is not acceptable. You can't kid me on this one, I have been there. I just retired 1½ years ago. It is not out of date.

Mr. **Fliakas**. Of course I was giving you a general response. As far as I know we have very few, if any, BOQs in the program. Most of our bachelor spaces are for enlisted grades. I understand what you are saying and I don't disagree at all. I was referring to the standards that do exist, the enormous pressure to keep those standards and we address those.

HOUSING FOR TRANSIENT CREWS

Senator **Garn**. Let me go further; you talk about the age of the facilities, OK, I have been in most of them. I know what they are, typical World War II buildings; a little roof with a windshield halfway up and so on. They are wooden which is more than adequate for transient crews even though they are old. The Azores, Lajos, Clark Air Force Base, Tachikawa, you name it, I have been there. When it comes to more permanent housing for transient crews, I can't accept that. There is a lot of waste in this trying to upgrade it, particularly for transients. When they get back to their home base that is a different story.

Mr. **Fliakas**. I am told that only 83 of the 25,000 barrack spaces are for officers in this program.

Mr. **Meehan**. They are in remote areas.

Mr. **Fliakas**. While I assure you these are looked at carefully I don't disagree with the thrust of your comment. I agree with you. We certainly address those in remote areas, Diego Garcia, Turkey, places of that sort where there are transients that come through. You will find that the facilities are very austere.

WAKE ISLAND FACILITIES

Senator **Garn**. At Wake Island there was a real effort to put in modern facilities. No more rats, no fun at all. They were absolutely sterile.

Mr. **Fliakas**. Sir, you will find that over the last 6 or 10 years, particularly the last 4, the construction program has been very, very depressed. Most of the facilities have gone toward the support of new weapons and deployments, NATO and so forth. As a consequence we have neglected the kind of things we are talking about. Many of the commanders say, "I don't care if you don't give me another barracks. Give me a gymnasium. Give me something that will contribute to the soldier or the airman's welfare and recreation and his life on this base." Of course we use nonappropriated funds to some extent for bowling alleys and things that are revenue producing. When I stress quality of life I mean from a facilities standpoint. I recognize there are many other things that are happening. From a construction standpoint we are talking about medical facilities, recreational facilities, religious, those kind of things that in the last 4 to 5 years we just weren't able to get in the program.

IMPACT AID ASSISTANCE FOR UTAH AND NEVADA

Senator GARN. I understand. I would like to ask a couple more questions. The Air Force is supposed to have requested $10 million for impact aid assistance concerning MX in Utah and Nevada. I don't see that specific figure in the submission. Have they officially requested that? If so, how was that $10 million determined, and were Utah and Nevada local officials consulted in the determination of that $10 million figure?

Mr. FLIAKAS. As I understand, the $10 million figure is primarily for planning, for grants to do planning. It is not for the actual impact itself, not for schools, sewer pipes or whatever.

Senator LAXALT. It is planning for the eventual impact.

Mr. FLIAKAS. That is right. It is in the program for planning and design.

Mr. BANDJUNIS. Planning and design lump sum authority.

Senator LAXALT. Is that included within the overall request?

Mr. BANDJUNIS. Yes, sir.

Mr. FLIAKAS. It is part of the $400 million in planning and design.

Senator GARN. Were officials in Utah consulted in arriving at that?

Mr. FLIAKAS. I don't know how that was arrived at frankly. I believe it is a ballpark figure.

NUCLEAR WEAPONS PRODUCTION FACILITIES

Senator GARN. The second question I have. The Secretary of Energy testified recently and I quote: "Nuclear weapons production facilities in the United States have been allowed to seriously deteriorate below the point that unless efforts are taken to remedy the situation the Department of Energy may not be able to produce and deliver through the 1980's, the weapons required and approved by the President." Does your budget, the President's revised budget, attempt to correct that?

Mr. FLIAKAS. Those facilities will not be reflected in our program. We do reflect or show authorization which is directed by the Congress on construction of conventional ammunition. There was a direction by the Congress that we start construction on binary chemical facilities but nuclear weapons, as far as I know, sir, are not in our budget.

Senator LAXALT. They are probably included in public works.

Mr. **Fliakas**. I might add that the appropriations for those plants are in the ammunition account, not in the construction. We seek authorization and appropriations in another area.

Senator **Garn**. Thank you. Thank you, Mr. Chairman.

Senator **Laxalt**. Do you have any additional questions?

Senator **Garn**. No, you go ahead.

SUBMITTED QUESTIONS

Senator **Laxalt**. I don't think I have any more at this point, myself. We have various questions that we have previously prepared that we would like you at your convenience to respond to and we will make the answers part of the overall record

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR LAXALT

GENERAL

Question. The Subcommittee is aware of the economic factors which have gone into your estimates, but after these factors are considered, what percentage of your increase for FY 1982 is real growth and what percentage is inflation?

Answer: The appropriations requested for the FY 1982 amended Military Construction Program represent an increase of 46 percent over the adjusted FY 1981 program (FY 1981 enacted + FY 1981 Supplemental). Of this 46 percent, 39.2 percent is real growth whereas the 6.8 percent balance is inflation.

Question: Briefly describe the procedures involved to assure the anticipated savings you have mentioned in your statement with regard to the Davis Bacon and Services Control Acts.

Answer: The Administration is conducting a review of administrative practices under the Davis Bacon and Services Contract Acts. The principal objective is to insure that prevailing wage determinations made by the Department of Labor under these Acts reflect actual wages paid in the localities where federal contracts are performed. Previous studies have indicated that substantial savings in agencies' budgets could be achieved by revising current administrative practices. For FY 1982, the military construction was reduced by $70 million which represented about 2.4% of the price of our CONUS program in anticipation of the lower construction bids expected from the revisions to the current administrative practices.

Question: The Subcommittee is aware of the problems that inflation has caused in the past few years to the military construction programs. This year you are requesting financing adjustments to complete many previously approved but deferred projects. Will the amount requested satisfy the backlog caused by inflation or will there continue to be a sizeable amount which has been deferred?

Answer: The $352.3 million requested for shortfall was considered adequate at the time the bill was submitted to the Congress. However, further requirements have since been identified which amount to an additional estimated shortfall of $135 million.

Question: I referred to the backlog of valid requirements in my opening statement. What is the current estimate of the backlog, and how is this estimate determined?

Answer: a. Exclusive of the FY 1982 request, the current facility deficiency for the three Military Departments, their Guard and Reserve Components, and the Defense Agencies is $60.6 billion including $18.4 billion for the Air Force MX missile program.

b. The total Department of Defense facility backlog is a consolidation of facility category inputs developed by the various agencies cited above. Each of those inputs is comprised of specific projects which, in turn, have been developed from a careful evaluation of such factors as personnel strengths, long range missions, the condition and useful life of existing facilities, and the overall requirement for facilities to support new and current missions as well as replacement and modernization.

Question: In your prepared Statement you make mention of possible base realignments. As we are all aware, this subject is always a very emotional area. In the past, this Subcommittee has supported the House in the concern that we might be supporting projects at locations being considered for realignment. What kind of assurance can the Defense Department provide the Committee that projects in the FY 1982 program are not in this category?
Answer: Each project in the Military Construction Program is reviewed thoroughly to ensure that it is not located at an installation or activity for which a realignment has been announced or is being considered. Projects falling into this category are either deferred until a final decision on the realignment is made or dropped entirely, when a decision has been made to implement the realignment action.
Accordingly, the FY 1982 MILCON Program does not include any project which could be affected by an announced base realignment. However, as you know, at the direction of the Secretary of Defense we are reviewing our base structure to seek economies, efficiencies and management improvements in order to reduce nonessential Defense costs. New realignment proposals could result from this effort. Should it develop that a new base realignment is proposed for study at a base involving construction included in the FY 82 program we would provide a recommendation on it to the appropriate Congressional Committees.

Question: Mr. Fliakas, since the Subcommittee will be considering the Supplemental request before too long, could you please give us a brief rundown on the package now before us.

Answer: The FY 1981 Supplemental request would provide an additional $83,322,000 in authorization and $352,300,000 in appropriations. These sums are urgently needed to address shortfalls in planning and design, construction, and for family housing. The differences between the authorization and appropriation request are perhaps best explained in the sixth enclosure to my overview statement but in general they are attributable to the use of prior or standing authorizations. In addition, there are several changes to the supplemental request of the previous Administration. First, there is a lower escalation rate than was previously calculated. That accounts for a decrease of $59.2 million to the FY 1981 program. Second, there are increases for construction in the amount of $107.0 million urgently needed to increase readiness in the FY 1981 timeframe and $39.9 million for the operations and maintenance and $18.0 million for construction of family housing. Finally, the request includes an increase of $57.5 million for planning and design. The net increase then is $163.2 million over the amount requested by the previous Administration. The following table summarizes the initial and the current FY 1981 Military Construction Supplement request:

($ Millions)

	Initial Request		Current Request	
	Auth	Approp	Auth	Approp
Army	-	28.5	1.8	34.4
Navy	-	23.0	2.0	27.9
Air Force	-	30.0	56.1	124.1
Defense Agencies	-	12.0	.9	29.9
Guard/Reserve Forces	-	-	6.5	6.5
Family Housing	-	95.6	16.0	129.5
	-	189.1	83.3	352.3

The Army's request includes $11.0 million for facilities at Vilseck for the artillery enhancement program, and $34.5 million for planning and design. The Navy's request includes $2.0 million for a tactical support van pad in support of the F-18, $9.0 million for additional dredging at Mombasa, Kenya, and $26.0 million for planning and design. The Air Force request includes $50.0 million for a classified project, $4.7 million for a logistics complex at Laughlin AFB, Texas, to support base and flying operations; $1.4 million for three sound suppressor support facilities, $6.5 million for a technical library at Maxwell AFB, Alabama, and $76.5 million for planning and design. The request for Defense Agencies is $29.9 million including $15.0 million for the Secretary of Defense Contingency Fund, $0.9 million for three minor construction projects at Fort Meade, Maryland and $14.0 million for planning and design. Additionally, $6.5 million is requested for the Air National Guard. This would provide $4.5 million for additional facilities at Barnes Municipal Airport, Massachusetts, for the beddown of A-10A aircraft, and $2.0 million for power check pads at four locations.

For the Defense Family Housing Program a total of $129,538,000 is required in supplemental appropriations for FY 1981. Of this amount $111,538,000 is required for operations and maintenance and $18,000,000 for construction. In addition, and in order to restore flexibility for management of the program, relief from the 100 percent maintenance floor is urgently needed. The appropriation Act of 1981, in effect, made the floor and the ceiling the same. This is unworkable and deprives the Department from taking management action to relieve specific conditions, such as unanticipated increases in utilities costs. We propose to transfer $27.1 million from maintenance which together with the additional appropriation of $111.5 million is required to cover the expected funding shortfall for operations. Additionally, the $18,000,000 required for construction is necessary to initiate new construction at Tinker Air Force Base, relocate surplus housing to Lajes Air Base, and proceed with authorized improvement and minor construction projects. The total amount of new appropriations needed of $129,538,000, and relief from the maintenance "floor" will be needed to continue operating the inventory in the fourth quarter. Lack of these funds would result in layoffs of personnel, cancellations of contracts, and overall general curtailment of housing support to military families with attendant adverse morale implications. These requirements are a vital part of the overall defense program for FY 1981 and your support of these requirements is requested.

ENERGY

Question: Last year the subject of solar energy was discussed in some detail in both the Appropriations and Authorization Committees with regard to the use of solar energy in the construction of military facilities. What is the status of the solar program for Defense facilities?

Answer: Currently we have 53 active solar systems operational and over 200 in various stages of evaluation, design or construction. There is a conflict in law which makes it difficult to estimate the extent of our near term future solar investment. The FY 1981 Authorization Act, PL 96-418, Codified by modifying 10 USC sec 2688, requires that solar systems be installed on all new facilities if determined to be life cycle cost effective using a zero percent discount factor and no additional system maintenance. However, the

FY 1981 Appropriation Act, PL 96-436, prohibits the expenditure of any funds for solar systems unless cost effective using a seven percent discount factor and considering appropriate additional solar system maintenance. We have introduced draft Authorization Act language to modify 10 USC sec 2688 and provide consistent guidance. Use of the criteria contained in the FY 81 Appropriations Act results in 14 solar projects for approximately $3.7 million in the FY 82 MILCON program. It is our intent to vigorously pursue solar energy applications wherever cost effective and use the data gathered from those systems under operation to expedite use of emerging technology improvements as they become available.

Question: Our subcommittee has been very interested in alternative energy sources for our military bases. Of special interest has been coal conversion -- Especially at locations which had previously used coal. Where are you going in this area? At what rate do you plan to continue the coal conversion program or other alternative energy source programs?

Answer: As you know we have a commitment to maximizing our use of alternative energy sources on military bases with a goal of providing 45% of all facilities energy requirements from solid fuel conversions and alternative energy sources by 2000. We are currently preparing an implementation plan to achieve this goal at the request of the Subcommittee on Military Construction and in specific response to section 807 of the Military Construction Authorization Act, 1981, Public Law 96-418. This plan will consolidate the coal conversion analysis done by the Services to-date and formulate an effort to accomplish those cost effective conversions and replacements within two alternative program time frames, 5 and 10 years. This report will be available later this month.

The major deterrent to rapid implementation of the known cost effective conversions is their large capital requirements. A current estimate has indicated the need for $1 billion to reconvert 30 existing boilers. It is obvious that this much capital must compete with operational requirements for the limited available MILCON funding.

In the FY 1982 program we are requesting $20 million to provide pollution abatement devices to allow the environmentally acceptable burning of coal at Indian Head, MD where the boilers are capable of burning coal today.

In the area of Geothermal energy, the cancellation of DOE's loan guarantee program may affect the availability of private capital necessary to develop this resource on military bases.

DEFENSE AGENCIES

Question: Last year this subcommittee strongly supported the need for a new Analysis Center for the Defense Intelligence Agency. I do not believe that support has changed, and we will be considering the request for the next phase of construction at $72.5M. When you included last year's funding of $32.7M, the total is about $105M for this facility. Is this year's request the final phase?

Answer: Yes. The $105.2 million is for continuous construction and this year's request for $72.5 is needed to complete a useable facility.

Question: What is the status of the construction on the initial phase of construction?

Answer: A fixed price contract for continuous construction was awarded 13 March 1981. Work will begin in April 1981.

Question: Also, is this construction of a technical nature with unusual requirements?

Answer: Yes. The Center will house an industrial complex, the Defense Intelligence School and intelligence analysis operations. Industrial functions housed at the ground level include sophisticated precision photoprocessing laboratories, a print plant, computer complex, communications center, maintenance shops, storage and loading docks. Intermediate levels provide specialized space for the Defense Intelligence School, library and an auditorium. Upper levels house analytical operations which occupy about one half the total building space. Ninety-five percent of the building will be secured by sound rated walls and doors protected by electronic alarm devices.

Question: The Defense Department had funded construction for the Overseas Dependents Schools. With the establishment of the Department of Education last year, testimony received by this Committee stated that FY 1981 would be the final year for this program because it would be transferred to the Department of Education. We are now presented with a request of $64.2 million for 11 projects for Overseas Dependents Schools. Could you please explain this change to the Subcommittee?

Answer: The Department of Education Organization Act, Public Law 96-88, signed by the President on October 17, 1979, provided for the transfer of DoDDS to the Department of Education within three years of the effective date of the Act. Initially it was decided that the DoD schools would be transferred to the Education Department on October 1, 1981, the start of FY 82. A Presidential decision was made in December 1980 to delay the transfer of DoDDS until FY 83 in order to give the incoming administration an opportunity to examine various options regarding the future of the Department of Education. It now appears doubtful that this proposed transfer will be implemented. Accordingly, all requested funding for DoDDS, including that for construction, is being retained in the Department of Defense FY 1982 budget and is not being included in the Department of Education FY 1982 budget.

Question: Also, what is the future of the Overseas Dependents Schools--will they stay part of the Defense Department or will they be transferred to the Education Department?

Answer: It now appears that the Department of Defense Dependents Schools (DoDDS) will remain as part of the Department of Defense and will not be transferred to the Department of Education.

Question: Please give the Subcommittee a brief summary of the Secretary of Defense's Emergency Construction Fund. The FY 1982 request is for $30 million and additionally there is a $15 million request in the FY 81 supplemental. How is this fund administered, and what are the uses of this fund?

Answer: This fund is administered by the Secretary of Defense. Use of the funds are for requirements which the Secretary of Defense determines to be vital to the security of the Nation. Once he has made such a determination, funds are allocated to the service or defense agency for execution of the construction. The main purpose of the fund is to provide a capability of the magnitude requested to react to unforseen security threats. In the past, we have used it generally for classified activities or for facilities that have supported the most urgent high priority requirements as well as a reserve or insurance against unforseen security threats.

FAMILY HOUSING

Question: The Family Housing Leasing Program was discussed in some detail last year, and the Conference Committee on the FY 81 Appropriations suggested that new construction versus leasing overseas should be considered. Your statement shows a slight increase in the number of leases for FY 82 and a small decrease in new construction units. Could you explain this with regard to the conference report language.

Answer: The increase in the number of foreign leases for which we need appropriations is a result of previously authorized projects being completed under lease-construct contracts. Once beneficial occupancy is obtained, we must provide for the funding. Where there is a housing requirement in a foreign country, we conduct an economic analysis to determine whether leasing, construction, acquisition, or reliance on housing allowances is more advantageous to the United States Government. Based on such analyses, we have proposed for FY 1982, new construction at Incirlik, Turkey, and Greenham-Common in the United Kingdom. However, where housing is required and analyses indicate that leasing is the most cost-beneficial approach to take, we intend to proceed on that basis. The variables which favor construction over leasing or vice-versa, change from situation to situation. Accordingly, it would not be prudent to place total emphasis only on one approach.

Question: I understand that the Variable Housing Allowance (VHA) has enabled many of our military personnel to improve their standard of living. What effect, if any, does this increased housing allowance have on the need for on-base family housing in the CONUS?

Answer: The advent of the Variable Housing Allowance, or VHA, will mitigate the need for on-post construction and the domestic leasing program. The overall housing deficit will be reduced as a consequence of removing "excess housing costs" from our criteria used to determine deficits. Additionally, it is probable that higher graded personnel might find off-base living more attractive, thereby reducing the competition for the on-base housing now in the inventory.

Question: In this regard, how are family housing requirements determined?

Answer: The capacity of the local housing market to meet the military need is determined by the installation based on surveys conducted using established criteria, and on its consultation with government agencies and other organizations knowledgeable of local housing conditions. The survey uses sampling methods to solicit data from military families on: separation status; bedroom requirements; condition of the unit occupied; location of the unit and cost. Based on projected strength, a future deficit or surplus condition is then determined, and the information is considered by the military service headquarters in establishing proposed projects in priority order. With the advent of the Variable Housing Allowance, cost is no longer a factor used in determining the need to build on-post. All projects in the FY 1982 program are justified on the basis of a deficit which discounts the cost criterion.

Question: What is the average cost per unit of new construction family housing?

Answer: The average cost per unit of new construction in the FY 1982 program is $79,728.

Quality of Life

Question: The issue of child care centers being constructed with appropriated funds was discussed in some detail last year, and the Appropriations Committees denied the request. The FY 1982 request includes several projects for child care centers. Would you briefly explain to the subcommittee the Department's policy on this new and controversial issue?

Answer: In today's environment, the Department of Defense must provide child care services on most of its bases. 54% of our total force is married. The percentage of career personnel who are married is even higher. There are over 1.6 million dependent children of military families. The number of working spouses has increased dramatically over the last decade, and children of these families are responsible for the largest demand on child care centers. These facilities are as basic to our overall needs today as are libraries, gymnasiums, and other community facilities. We believe that, in combination with other family services, modern child care centers are a major factor in retaining quality career personnel in the Armed Services. We therefore believe that child care center construction should be an obligation of our government, just as it is for other essential community construction.

Question: Again, on child care centers, if funds are appropriated for these facilities, is other additional appropriated funding necessary to operate them, or are they self-supporting?

Answer: The Department of Defense authorizes limited operations and maintenance support from appropriated sources, namely a professional staff director, utilities, and building maintenance. (Reference: DoD Directive 1330.2, Funding of Morale, Welfare, and Recreation (MWR) Programs, and DoD Directive 1315.10, Assignment of Appropriated Funded Personnel to MWR Activities.) Patron fees and charges cover the majority of other operating expenses, although other nonappropriated funds generated as a result of military exchange operations may also be used.

Question: On the subject of unaccompanied enlisted personnel housing (barracks, in other words:), what is the Defense Department's standard for these facilities? Each service seems to build to their own specifications, and so we have personnel of equal pay grades living very differently from service-to-service and base-to-base. Isn't there some sort of standard design for new construction of enlisted housing, and if not, doesn't it seem that this should be considered?

Answer: The Department's criteria for unaccompanied enlisted housing is contained in the DoD Construction Criteria Manual (DoD 4270.1-M). This criteria establishes space allowances by enlisted grade and is predicated on grades E-2 through E-4 being assigned three persons to a room; E-5 thrugh E-6 two persons to a room; and E-7 through E-9 one person to a room. This criteria serves as the DoD standard except that some years ago the Air Force was granted permission to build two person rooms, not to exceed

180 net square feet per room. The following is the current DoD criteria:

Grade	Accommodations and Net Living [illegible]	Bathroom Facilities
E1	Open bay with minimum net living area of 72 square feet per person and a maximum of 50 persons to a room.[1]	Central bathroom.
E2-E4	Room with net living area of 270 square feet (255 square feet minimum) based on 3-person occupancy.[2]	One bathroom per sleeping room.[3]
E5-E6	Same net living area per room as for E2-E4, but based on 2-person occupancy.	One bathroom per sleeping room.[3]
E7-E9	Same net living area per room as for E2-E4, but based on 1-person occupancy.	One bathroom per sleeping room.[3]

[1] Net living area is one equal share per room of the squad room. The squad room is measured to the inside face of the peripheral walls.

[2] Net living area in this instance is the clear area in the sleeping room allocated for an individual's bed, locker and circulation, but excludes lounges, bathrooms, and general circulation.

[3] A bathroom will normally include three fixtures; one each, water closet, a combination bathtub and shower and lavatory.

Relative to standard design, there are currently five designs being utilized on a repetitive basis by the Military Departments (2-Army, 2-Navy and 1-Air Force). One of the Navy designs is being used by both Navy and the Marine Corp. We believe that this is the limit that we should standardize design.

Question: Mr. Fliakas, we are about to begin consideration of the largest military construction bill I can recall. What do you see as the biggest problem in the military construction business - in other words where is the greatest need and should the Subcommittee concentrate on one issue more than another?

Answer: Mr. Chairman, the biggest problem we have in the military construction business is the total facility deficiency for the three military Departments, the Guard and Reserve, and Defense Agencies of $[illegible]0.5 billion. While the program is the largest, we believe it is reflection of the needs of the Department of Defense. The inability to provide adequate facilities on a timely basis has many serious readiness implications. We have also not neglected needed improvements for the quality of life for military personnel and their families, nor to other national requirements such as energy conservation and pollution abatement. I believe our program is a balanced one and I would not recommend that your subcommittee concentrate on one issue more than another.

CONCLUDING REMARKS

Senator **Laxalt**. Does any of the rest of the panel have anything to suggest or offer to us?

Mr. **Fliakas**. Since I am the spokesman I will say that we look forward to working with the committee. My office and the Secretary of Defense's office are the focal points for policy on construction matters. I know that of course you and the staff will be talking with the services, individual departments, with respect to their specific line items. We are at your disposal to provide any information you may need.

Senator **Laxalt**. As I indicated, I think really if we are to do a responsible job here, we had better take these numbers and break them out, not in laborious line item detail, but break this budget down so that we can take a look from an absolute must to a must. Do you see what I mean?

Mr. **Fliakas**. Yes, sir.

Senator **Laxalt**. Let the members of the subcommittee take a look at it as we progress with these hearings. I think it should be part of the overall perspective.

SUBCOMMITTEE RECESS

Thank you all for your time. The subcommittee now will stand in recess until Tuesday, March 24 at 10 a.m. Testimony will be received on the Army's construction request for fiscal years 1982 and 1981 supplemental.

[Whereupon, at 11:15 a.m., Thursday, March 19, the subcommittee was recessed, to reconvene at 10 a.m., Tuesday, March 24.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1982

TUESDAY, MARCH 24, 1981.

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:13 a.m., in room 1224, Everett McKinley Dirksen Senate Office Building, Hon. Jim Sasser, presiding.

Present: Senator Sasser.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

STATEMENT OF BRIG. GEN. NORMAN G. DELBRIDGE, JR., ASSISTANT CHIEF OF ENGINEERS, OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

ACCOMPANIED BY:

- ALLEN M. CARTON, CHIEF, PROGRAMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS
- LT. COL. EDWARD M. JANSEN, PROGRAMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

INTRODUCTION OF WITNESS

Senator SASSER. The subcommittee will come to order.

Today the subcommittee will receive testimony from the Army on their military construction budget request for fiscal year 1982 and for the fiscal year 1981 supplemental.

We are pleased this morning to welcome Brig. Gen. Norman G. Delbridge, Jr., Assistant Chief of Engineers, who will be the primary witness. General, I understand that this is your first appearance before this subcommittee.

Senator Laxalt, our distinguished chairman, has asked me to extend to you his personal welcome and his apologies that he is unable to be here this morning. I know that I speak for all of the members of the subcommittee in saying that this subcommittee looks forward to working with you and your staff in a spirit of cooperation.

BUDGET REQUEST

The Army request for fiscal year 1982, as amended, is approximately $1.1 billion, an increase of some $240 million over the fiscal

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year 1981 enacted appropriation. In addition, the subcommittee will be considering an amended supplemental request of $34.4 million.

PREPARED STATEMENT

General Delbridge, I understand that you have a statement for the record. We will insert your statement in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF BRIG. GEN. NORMAN G. DELBRIDGE, JR.

ASSISTANT CHIEF OF ENGINEERS
OFFICE OF THE CHIEF OF ENGINEERS
DEPARTMENT OF THE ARMY

HAC OPENING STATEMENT

Mr. Chairman, and members of the committee: I am Brigadier General Norman G. Delbridge Jr., Assistant Chief of Engineers, Office of the Chief of Engineers, Department of the Army.

I am pleased to appear before this committee to present the Army's portion of the ammended FY 82 Military Construction Appropriation request. The FY 82 request reflects a more optimistic inflation index and anticipates reduced costs associated with the provisions of the Davis-Bacon Act. It is expected that the Department of of Labor's implementation of the Act will reduce its impact on Army construction projects.

The FY 82 MCA budget includes a request (attached as CHART 1) for total obligational authority of $1,099,700,000 and a companion request for authorization of $849,616,000. The authorization request includes $49 million for ammunition facilities which are funded under the Defense Appropriation Act. It does not include $149 million of general authorization for design and access roads nor $151 million of construction projects which have already been authorized by the Congress in prior years. The increased request for general authorization of $149 million is a result of escalating future year MCA programs in support of force modernization and replacement and modernization of our deteriorating real plant. It will also provide for the first time funding for design and/or construction supervision of NATO and host nation funded construction in Europe and the Pacific.

I would like to draw your attention to the following two tables which summarize the program. TABLE I shows the distibution of the appropriations request among major commands in the United States and overseas. Construction projects outside the United States account for $ 478 million of the total requested. Of this amount $373 million is identified for our forces in Europe and Turkey. Another $69 million is allocated for our forces in the Western Pacific and the National Missile Range at Kwajalein and $36 million is for Middle East bases in support of the Rapid Deployment Force. Construction projects in the United States account for $443 million of the Budget Request. This years request for General Authorization and exigent minor construction amounts to $177 million.

TABLE-II shows the construction categories in which the funds are requested and the percentage of the construction dollars in each category.

TABLE 1 - PROPOSED FISCAL YEAR 1982 MILITARY CONSTRUCTION, ARMY PROGRAM

COMMAND	COST	PERCENT EXCLUDING GENERAL AUTHORIZATION
United States Army Forces Command	$255,930,000	27.7
United States Army Training and Doctrine Command	67,130,000	7.3
United States Development and Readiness Command	88,770,000	9.6
United States Army Western Command	3,800,000	.4
United States Army Communications Command	2,520,000	.3
Military Traffic Management Command	6,080,000	.7
United States Army Health Services Command	7,900,000	.9
United States Army Corps of Engineers	350,000	.04
Military District of Washington	3,210,000	.3
United States Army Military Academy	7,700,000	.8
Total Inside the United States	$443,390,000	48.1
OUTSIDE THE UNITED STATES		
Eighth United States Army	$ 62,320,000	6.8
National Missile Range, Kwajalein	3,240,000	.4
United States Army, Europe	370,250,000	40.2
United States Army, Japan	1,950,000	.2
United States Army Intelligence and Security Command	4,100,000	.4
United States Army, Middle East	36,000,000	3.9
Total Outside the United States	$477,860,000	51.9
OTHER		
Planning	$138,700,000	
United States Army Worldwide Support	1,950,000	
Minor Construction (Exigent Locations ONLY)*	28,000,000	
Access Roads	9,800,000	
Total Other	$178,450,000	
Total Obligational Authority Requested	$1,099,700,000	
New Obligational Authority Requested	$1,099,700,000	

*Minor construction projects at known locations (those projects costing less than $500,000) totaling $6,780,000 are included in the grand total. This includes $6,410,000 in the United States, and $370,000 in Germany. The total minor construction request is $28,000,000 for unforeseen construction requirements and $6,780,000 for specified locations or a minor construction total of $34,780,000.

TABLE II - PROPOSED FISCAL YEAR 1982 MILITARY CONSTRUCTION, ARMY PROGRAM SUMMARY BY CONSTRUCTION CATEGORIES

Construction Category 1/		Percent Excluding General Authorization	Percent of Total
Operational & Training Facilities	$115,110,000	12.5	10.5
Maintenance and Production Facilities	191,020,000	20.7	17.4
Research, Development and Test Facilities	28,800,000	3.1	2.6
Supply Facilities	40,060,000	4.3	3.6
Hospital and Medical Facilities	118,200,000	12.8	10.7
Administrative Facilities	21,450,000	2.3	2.0
Housing and Community Facilities	225,770,000	24.5	20.5
Utilities and Ground Improvements	153,790,000	16.7	14.0
Water Pollution Abatement	(4,790,000)	(0.5)	(0.4)
Air Pollution Abatement	(6,550,000)	(0.7)	(0.6)
Energy Conservation	(71,170,000)	(7.7)	(6.5)
OSHA	(11,080,000)	(1.2)	(1.0)
Utilities	(60,200,000)	(6.5)	(5.5)
Real Estate	29,000,000	3.1	2.6
		100.0	
Planning	$138,700,000		12.6
MINOR CONSTRUCTION (Exigent Locations Only)	28,000,000		2.5
Access Roads	9,800,000		1.0
Total Obligational Authority	$1,099,700,000		100.0

1/Minor construction projects (those projects costing less than $500,000) are included in the totals for the various construction categories. The total minor construction request is $28,000,000 for unforeseen construction requirements and $6,780,000 for specified locations minor constructions, for a total of $34,780,000.

To improve the equipment readiness of the Army we have identified 17 percent of the construction request totaling 48 projects for maintenance and production facilities. The 48 projects include 24 tactical equipment shop projects and are intended to reduce both mission shortfalls and substandard conditions. The Army's Quality of Life program, oriented to foster improved individual readiness and retention, continues to receive widespread support in this year's request with 31 percent of the total construction request allocated to troop housing, medical and community facilities. I would draw your attention to the fact that almost 9 percent of the request will be invested in non-military environmental, energy and safety programs geared to insure statutory and regulatory compliance.

The Army's objectives (CHART 2) continue to be to organize, man, equip, train, sustain, mobilize and deploy the force. Excluding general authorization, the FY 82 MCA request (CHART 3) supports the objective of organizing and manning the force through a $344 million investment in troop housing, medical, community and related facilities. $277 million is requested in support of equiping and training the force which includes $29 million for badly needed maneuver training land for Ft Carson, Colorado to expand the training of the 4th Mechanized Division. Also included is $191 million for maintainence and production facilities to equip the force. $171 million is earmarked for supply, operations, R&D, administrative and utilities facilities in overall support of the Army. To support mobilization and deployment of the force, $43 million is requested of which $36 million is earmarked for minimum construction at forward bases in the Middle East and $6.3 million for associated planning and design. Although a half million dollars for mobilization planning and design is also requested in this category, it is only the precursor of an expanded effort yet to come.

Fifty-six percent of this year's request represents facilities construction in support of new mission and on-going mission shortfalls not fully satisfied in prior year budgets (CHART 4). The introduction of new weapons systems and the creation of the National Training Center are highlights of this mission slice and I will discuss them in more detail in a moment. In addition, 28 percent of our request is identified for replacement and modernization of the Army's aging worldwide inventory of facilities. Chart 5 displays the history of the plant replacement program. The past seven years has seen a decline in the plant replacement program with a parallel increase in the backlog of facilities exceeding their useful life. Much of this can be attributed to a constrained Defense budget during a period within the Army of dire need for improved operational and equipment capabilities. The situation has been recognized, however, and the current Army five year plan calls for a significant increase in the plant replacement share of the MCA total obligational authority. Considering recent up-dated input from US Army Europe, the current backlog of construction totals $16.3 billion (CHART 6). Of this amount, current planning calls for military construction funding of $7.3 billion in constant FY 82 dollars over the next five years.

There will be a construction backlog balance of $9.0 billion in FY 82 dollars at the end of the period not considering inflation or additional plant replacement requirements generated during the period. When inflation and additional replacement requirements are considered, the compounded effect warrants the Army in its planning to increase significantly the MCA share of the overall Army total obligational authority by the end of the five year plan. As I mentioned earlier, this increasing construction investment has dictated the increased request for design funds in FY 82.

PROGRAM HIGHLIGHTS

With the Committee's permission I would like to briefly discuss a few of our construction program highlights.

FORCE MODERNIZATION

In the last few years, the Army leadership has brought into focus one of the greatest challenges of the 1980s--a modernization program, resulting from extensive research and development during the early 1970s, which will impact on every facet of the Army. New weapon systems are the most visible elements, but modernization also includes the introduction of many other systems, organizational changes and doctrinal modifications which have a profound collective impact on Army facilities.

Forty-seven projects are included in the FY 82 program to support the fielding of high priority new systems and the organizational changes caused by these systems. The construction is generally programed to begin two years prior to the fielding of the system to insure facilities are available when the additional men and equipment arrive.

The Patriot missile system is supported by US Conjunctive Funding of projects totaling $42.2 million. All of these projects are in Germany and include those barracks, basic load ammunition storage and tactical equipment shops which are beyond the scope of the work provided under the NATO Infrastructure program. Eleven military construction projects totaling $19.8 million support the Army's Multiple Launch Rocket System. Six of these are scheduled for Germany and five for locations in CONUS. These projects include barracks, ammo storage, tactical equipment shops and a training facility for the system. Fourteen military construction projects at a cost of $38.0 million support the Army's Combat Electronic Warfare Intelligence (CEWI) concept for the modern battlefield. All projects are in Germany and consist of the same types of facilities that were mentioned for the other major systems. Likewise, eleven projects support the Roland System for a total of $31 million.

Finally, the Stinger ,a hand-held anti-aircraft system, the XM-1 Abrams tank, the Fighting Vehicle System, and the Remotely Piloted Vehicle System, have one construction project apiece totaling $26 million.

US ARMY EUROPE (USAREUR)

Our program for Europe totals $370,250,000 as shown on CHART 7. The program is the result of a careful sifting of requirements of a changing force structure to meet the threat. NATO's defensive strategy has evolved based on current Warsaw Pact capabilities. In order to effectively counter this increasing threat, requirements have been recognized for an increased number of troops as well as modernization of the force, both organizationally and in terms of new, sophisticated weaponry and equipment.

Army installations in Europe are small (by US standards) and scattered. Most of them were built by the Germans prior to World War II. Replacement and modernization as well as maintenance and repair of facilities have been underfunded, particularly during and after the Viet Nam conflict. The MCA Program began to be funded more realistically in FY 78 and the NATO Infrastructure program in FY 80 (CHART 8) because of US efforts to have NATO assume a larger share of the construction. Efforts in this area are continuing.

There is a large construction requirement to replace 40 year old obsolete facilities, especially maintenance shops and utilities systems within Army compounds that are a US responsibility. Over the years, initiatives to modernize our forces have filled available facilities to the brim so that present and future initiatives will require construction if they are to be fully implemented. Changes in defensive plans in response to a vastly improved Warsaw Pact capability have resulted in the need to restation some units.

Recognizing the need to deal simultaneously with the problems of facilities inadequacies, force modernization and tactical considerations, USAREUR has developed an integrated (deleted) plan which serves two purposes: First to provide the management framework within which decisions are made to establish priorities for modernization of facilities and for stationing new or reorganized units; and secondly to provide a roadmap for the (deleted).

The remaining projects for USAREUR will complement the plan.

The Congress has also urged the Defense Department and the Army to seek increased NATO funding and host nation support. The Army's share of the 1980 NATO program has increased 10 fold over the annual average of the previous 5 years. This level continues in the proposed 1981 and 1982 NATO Infrastructure programs. We are supporting the efforts of the Defense Department and the State Department to implement that guidance. On 4 November 1980 as part of the overall US initiative for gaining additional host nation support, the US provided the Federal Republic of Germany (FRG) with a list of the (deleted) issues for which the US is seeking host nation support. This proposal is presently being considered by the FRG.

As I mentioned a moment ago the introduction of new weapons systems geared to improving the Army's war fighting capability is a highlight of this year's program. $150 million of the USAREUR MCA request is in support of these systems.

Major Training Areas: USAREUR has developed a multi-year range upgrade program at the three US-controlled major training areas, Grafenwoehr, Wildflecken, and Hohenfels. The program will modernize and improve the ranges to provide full and realistic training on the improved weapons being deployed to Europe in the next 5 years. The ranges are not now configured to permit training to the full capabilities of these new systems. For example, the XM-1 moves faster, can shoot while moving and acquires multiple targets requiring a longer range.

Construction of these ranges are to be done by engineer troops assigned to USAREUR. This will provide excellent training for the engineer units, permit more flexibility in scheduling of the ranges and signifigantly reduce the total cost of projects compared to contract construction. The FY 82 budget includes three range upgrade projects costing a total of $22.2 million.

In its review of the FY 81 MCA program, Congress directed the Army to seek eligibility for NATO funding of future range improvements at major training areas with the provision that the US retain control of their management. The Army has initiated action to accomplish this even though national control normally implies national funding responsibility. However, the NATO Infrastructure program for the current 5 year period (80-84) is oversubscribed with high priority projects already eligible for funding. Even if eligibility is approved by NATO (including retention of US control), funding for construction of these training upgrade projects cannot be reasonably expected until 1985-1988. This would unacceptably and dangerously delay achieving the training and readiness permitted by these projects. Accordingly, MCA funding is again requested. The projects are being covered by precautionary prefinancing statements to protect US rights for recoupment from NATO should it accept responsibility for funding under the conditions defined by the Congress.

Ammunition Storage:

The program contains $13,390,000 for ammunition basic load projects. These facilities are required primarily because of the introduction of the new weapon systems. Basic load facilities are a national responsibility and are not elibible for NATO funding. We are seeking NATO funding for upload facilities as directed by the Congress last year, as well as the majority of the total ammunition storage program which is eligible for NATO funding.

Facilities in Turkey:

Twenty-one ($21) million is included in the program to improve the substandard living and working conditions of soldiers stationed at remote sites in Turkey. These sites were constructed to austere standards in the mid-60's and have deteriorated. The barracks are overcrowded, have inadequate utility systems and lack recreational facilities.

The facilities in the European theater play an important part in maintaining a credible deterrence. We are pursuing every avenue to reduce direct expenditure of US funds. The USAREUR FY 82 budget weighs these factors and is structured to provide the minimum essential facilities.

CONTINENTAL UNITED STATES (CONUS)

Our budget request for CONUS this year identifies $443 million in hard construction. Those states schduled for more than $40 million are Colorado $111 million, California $49 million and Texas $48 million. Ft Carson, Colorado and Ft Irwin, California are scheduled for the largest installation level investment with $110.7 million and $46.9 million respectively. Unit activation shortfalls are the principal driving forces behind the requirements at Ft Drum, Ft Stewart and Ft Hood. Our $88.8 million request for DARCOM installations is dominated by modernization projects and those supporting statutory and regulatory compliance.

For the past 4 years priority has been placed on the establishment of a National Training Center at Ft Irwin, California which can provide our heavy combat battalions with advanced tactical training and performance evaluations. In order to achieve maximum benefit from this advanced tactical training, each battalion should arrive at the center having already achieved combat proficiency at their home stations. Therefore, the National Training Center does not replace home station training but complements it. The unique, instrumented, near total combat environment is designed to allow for a realistic, relatively unconstrained environment which will include joint training with the Air Force.

Initial funding for the National Training Center, which did not involve construction, was approved in the FY 80 and 81 Defense Appropriation bills. The National Training Center was activated at Ft Irwin on 16 October 1980. The installation will be re-activated under Forces Command on 1 July 1981. Full through-put training of 42 battalions annually will be achieved by FY 84. Although

Ft Irwin has many facilities that will reduce the cost of establishing the NTC, there is a requirement for approximately $139 million Military Construction from FY 82-FY 86. The FY 82 MCA request for Ft Irwin includes eleven projects for a total of $53.6 million. It includes barracks, maintenance and utilities facilities as well as $9.8 million for Defense Access roads. Due to the isolated location of Ft Irwin which is 37 miles from the nearest civilian community, Barstow, California and the shortage of housing in Barstow, $21.1 million is included in the FY 82 family housing budget request for construction of 254 family quarters at Ft Irwin.

KOREA/JAPAN PROGRAM

The Army is continuing to support its commitment in the Western Pacific with a $62.3 million FY 82 MCA request in support of the Eighth US Army in Korea. This investment will continue the country-wide replacement of temporary metal quonset buildings which have long since exceeded their useful life.

This multi-year plant replacement program was initiated with the FY 81 program and is based upon the objective of replacing the deteriorated inventory with austere semi-permanent construction. These standards are intended to be consistent with the realities of the overseas environment while enhancing individual, unit and equipment readiness.

The US Forces Korea Physical Plant is additionally supported through Host Nation Construction (HNC) Support. The Support is derived through four distinct programs. The first is Quid Pro Quo (QPQ) which is generated from Republic of Korea Government requirements for real estate occupied by US Forces. The Army currently receives 98 percent of the $84.3 million current year program. The second program is limited to contingency construction intended to improve joint operations/combat capability. This program is almost exclusively tied to USAF/USMC tactical air bed-down and combined operations facilities. The estimated cost of construction for the US Government projected through 1982 in terms of 1980 pricing levels is $254 million. The third program is in accordance with the Single Ammunition Logistic System - Korea (SALS-K) agreement. Under the agreement, the ROKA provides conventional ammunition support to US ground forces to include funding for all Army ammunition storage facilities construction. The fourth program involves build-for-lease family housing units. HQ, US Forces Korea has proposed, with tentative ROKG acceptance, the expansion of HNC to support facilities requirements attendent to Force Modernization. The prospects for increased ROKG support in this area seem hopeful. However, in view of the drastic slowdown in the Korean economy along with rampant inflation the short term prognosis is questionable.

This year's budget includes only one MCA project in support of US Army, Japan. The $1.95 million project at the Kawakami Ammunition storage depot constitutes the second phase of a security and safety improvement program intended to eliminate a series of sensitive operational waivers. The majority of US Army Japan construction requirements are currently either satisfied through a longstanding quid-pro-quo program or through a Government of Japan funded facilities improvement program initated in 1979. Current Japanese policy, however, does not yet allow for funding support of operational type projects. Therefore, there remains a valid need for limited MCA funding in these areas. Ammunition storage and related projects fall within this category.

ARMY ENVIRONMENTAL PROGRAM

In FY 80 and FY 81 the Army made a concerted effort to program and execute necessary pollution abatement projects to bring all of our installations into compliance with the Clean Water and Air Acts. As a result, we are making significant progress toward achieving compliance with environmental requirements by providing essential pollution abatement facilities. This is evidenced by the size of the FY 82 program, which is the smallest since FY 69.

The budget for Fiscal Year 82 includes 3 air pollution abatement projects at 3 installations at a cost of $6,550,000 and 7 water pollution abatement projects at 7 installations at a cost of $4,790,000. The air pollution abatement program includes 3 contaminated waste processor (CWP) projects, with one of those also having an explosive waste incinerator included.

The water pollution abatement program includes a variety of projects, including sewage and industrial waste treatment facilities, spill prevention, control of runoff from maintenance activities and control of leachates from coal storage areas and abandoned land fills. Currently, we still have 56 installations in noncompliance, but upon completion of the FY 81 and prior year MCA projects, we are forecasting only 10 installations will be out of compliance with air and water quality standards requiring MCA corrective projects. The FY 82 program will correct most of the remaining noncompliance situations. There will of course always be a residual of pollution abatement projects each year as standards change and new sources of pollution are identified.

ARMY ENERGY PROGRAM

A significant portion of the Army's recent year reduction in energy consumption can be attributed to the completion of Energy Conservation Investment Program (ECIP) projects. In an era of increased dependence on electrical energy our success in this area has been encouraging, but we must do better if we are to achieve the Army energy goals.

The FY 82 ECIP consists of 45 projects at a cost of $71,170,000. Our calculations indicate that their completion will produce yearly savings of

$11,843,000 and the equivalent of 0.386 million barrels of oil. The various projects in the program range from installation of weather stripping to more sophisticated solar energy and heat recovery system.

ARMY SAFETY PROGRAM

Our FY 82 MCA request in support of the elimination of OSHA deficiencies consists of 15 projects at a cost of $11.9 million. The Army's program has given priority to correcting the most serious hazards. It is our goal to correct through construction and repair all identified unhealthy or unsafe conditions determined to fall within the catastropic or critical categories (Risk Assessment Codes 1 and 2) not later than FY 84. Those hazards found to be within OSHA category of Risk Assessments Code 3 are programed for correction by FY 86. It is our objective to provide a safe and healthful working place for all Army and civilian personnel.

MEDICAL FACILITIES

The Army is continuing its medical upgrade program with a $118 million FY 82 MCA budget request for 4 projects. The Ft Carson CO Hospital project provides a 195-bed replacement hospital at a total cost of $81 million. During the FY 81 Congressional process, $10 million was appropriated for the project's site preparation. The FY 1982 appropriation request is to cover the remaining cost of the project. The Frankfurt Hospital project, at $33 million, provides for major alterations to improve functional arrangement, upgrades utility and safety systems, and adds space for critical functions. The existing facilities are more than 40 years old and suffer from a lack of adequate utility support. Utility systems must be expanded to carry the growing demands brought on by increasing medical technology and an increasing workload. Both of these hospital projects will result in safe facilities capable of providing health care conforming to contempory standards. Additionally, our request includes limited renovation of health facilities at Ft Irwin, California, and a new 38 chair dental clinic for Schofield Barracks, Hawaii.

Mr. Chairman, in summary, I would like to emphasize that our FY 82 MCA budget request reflects a balanced program consistent with fiscal realities. Events of the past several years have clearly established the need to improve the operational readiness and war fighting capability of the Army. Recognition of this reality has heavily influenced the structure of our program. At the same time, however, the manifest need to improve the life cycle management of our worldwide inventory of aging facilities is unchallenged and plant replacement and modernization have been accepted as a cornerstone of the five-year program.

Sir, this concludes my statement. I would be pleased to answer any questions or arrange for their insertion in the record.

BIOGRAPHICAL SKETCH

BRIGADIER GENERAL NORMAN G. DELBRIDGE, JR.

Brigadier General Norman G. Delbridge was born 4 January 1928 in Detroit, Michigan. He is a 1953 Graduate of the US Military Academy, having also served as an enlisted man and active reserve officer for three years prior to entry into West Point.

He holds a master's degree in civil engineering from Iowa State University and is a registered professional engineer. General Delbridge is a graduate of the US Army Command and General Staff College and the Army War College; has attended Michigan Technological University at Houghton, Michigan and has served two years as Assistant Professor of Military Science at Michigan State University at East Lansing, Michigan.

General Delbridge's service with engineer troop units has included tours in Korea as Commander of a combat engineer company in the 3rd Infantry Division and Vietnam as commander of the 4th Engineer Battalion, 4 Infantry Division. He has also Commanded the Division Support Command of the 3rd Armored Division in Germany

In addition to various staff positions, recent assignments have included tours as the South Pacific Division Engineer in San Francisco, as European Division Engineer in Frankfurt, Germany; with the Army Staff; and as the District Engineer at Pittsburgh, Pennsylvania.

On 15 September 1980 General Delbridge was assigned to the Office of the Chief of Engineers with duty as the Assistant Chief of Engineers.

CHART 1

FY 82 MCA

CATEGORY	APPROPRIATION	($000)	AUTHORIZATION
EXIGENT MINOR	28,000		28,000
DESIGN AND ACCESS	148,500		0
AMMO FAC AUTH	0		48,986
OPNS AND TRNG	115,110		110,860
MAINT AND PROD	190,920		170,320
RESEARCH AND DEV	28,800		28,800
SUPPLY	40,060		40,060
MEDICAL	118,200		33,400
ADMIN	21,450		19,600
HOUSING	149,970		144,460
COMMUNITY	75,900		66,150
UTILITIES (REAL PLANT)	60,200		38,000
ECIP	71,170		69,560
AIR POL	6,550		6,550
WATER POL	4,790		4,790
OSHA	11,080		11,080
REAL ESTATE	29,000		29,000
	1,099,700		**849,616**

CHART 2

ARMY OBJECTIVES

- ORGANIZE AND MAN THE FORCE
- EQUIP AND TRAIN THE FORCE
- SUSTAIN THE FORCE
- MOBILIZE THE FORCE
- DEPLOY THE FORCE

CHART 3

ARMY OBJECTIVES ($MILLIONS)

• ORGANIZE AND MAN THE FORCE		
MEDICAL	118,200	
TRP HOUSING	149,870	
COMMUNITY	75,900	
		343,970
• EQUIP AND TRAIN THE FORCE		
TRAINING (INCL FT CARSON LAND ACQ)	86,000	
MAIN'T AND PROD	191,020	
		277,020
• SUSTAIN THE FORCE		
SUPPLY	40,060	
OPERATIONS	20,160	
ADMIN	21,450	
R & D	28,800	
UTILITIES	60,200	
		170,670
• MOB AND DEPLOY (INCL PLANNING & DESIGN)		42,800

CHART 4

FY 82 MCA BUDGET REQUEST

NEW MISSION	23%	$ 253M
CURRENT MISSION	33%	$ 362M
REPLACEMENT/ MODERNIZATION	28%	$ 308M
EXIGENT MINOR	3%	$ 28M
GEN AUTHORIZATION	13%	$ 149M
TOTAL REQUEST	**100%**	$1100M

CHART 5

BUDGET REQUESTS PLANT REPLACEMENT AND MODERNIZATION (R&M) PROGRAM

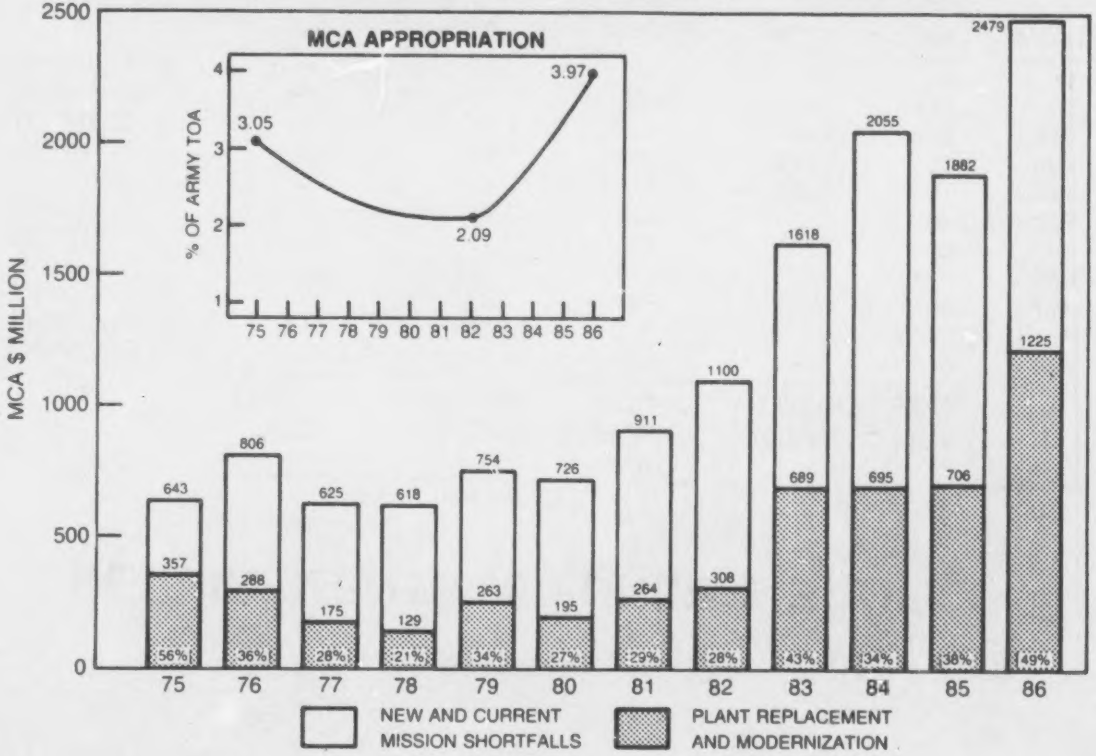


CHART 6

REQUIREMENTS vs FUNDING PROFILE[1]

	REQUIREMENTS			FUNDING		
	NEW MISSION	CURRENT MISSION	PLANT REPLACE/ MOD	TOTAL BACKLOG	MCA 82-86	$ BAL
OPNS AND TNG	762	913	922	2,597	1,370	1,227
MAINT AND PROD	414	848	1,726	2,988	1,244	1,744
R&D	46	222	182	450	199	251
SUPPLY	47	750	643	1,440	490	950
MEDICAL	25	441	785	1,251	683	568
ADMIN	61	333	621	1,015	282	733
HOUSING	277	709	1,226	2,212	1,001	1,211
COMMUNITY	38	416	1,003	1,457	500	957
UTILITIES	57	703	1,095	1,855	511	1,344
ECIP/APC/WPC	—	—	999	999	999	0
REAL ESTATE	—	63	—	63	29	34
	1,727	5,398	9,202	16,327	7,308[2]	9,019[3]

[1] FY 82 CONSTANT DOLLARS IN MILLIONS
[2] DOES NOT INCLUDE EXIGENT MINOR AND GEN AUTH
[3] DOES NOT CONSIDER INFLATION OR ADD'L REQUIREMENTS

CHART 7

MCA PROGRAM USAREUR FY 82
$370.250M

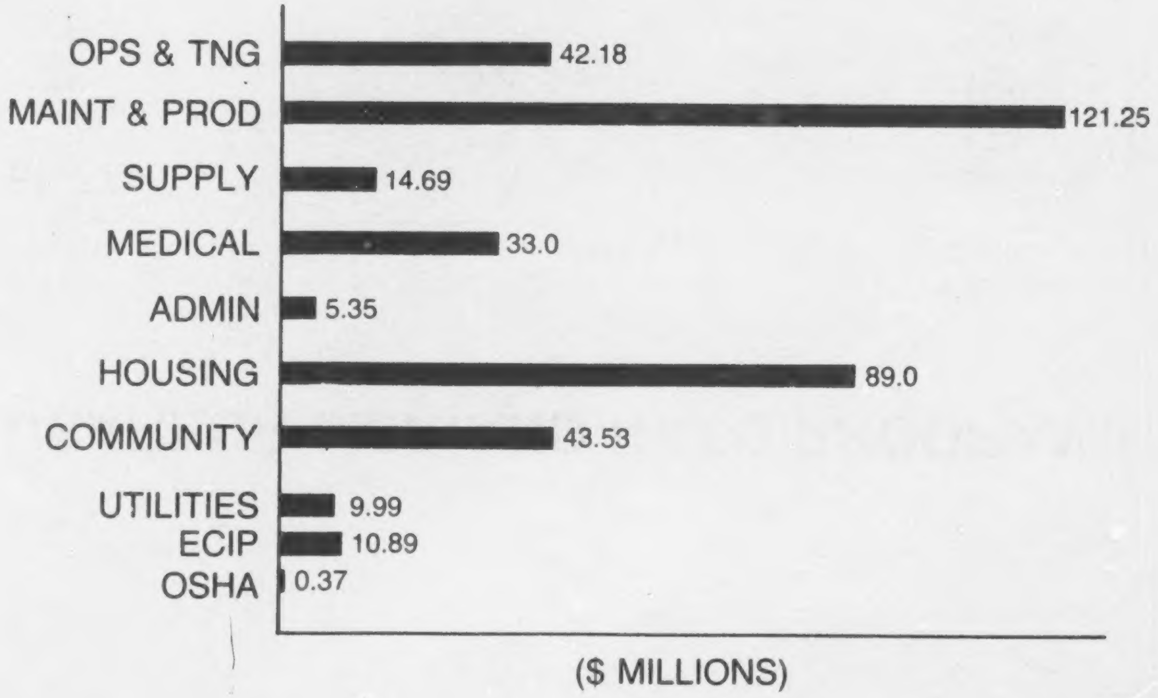


CHART 8

USAREUR MCA AND NATO PROGRAMS

FISCAL YEAR	NATO INFRASTRUCTURE FUNDING ($ MILLION)	MCA FUNDING ($ MILLION)
65-77	114.8	388.74
78	57.8	171.1
79	16.8	199.5
80	283.3	109.0
81	277.5 (EST)	191.3
82	200.5 (EST)	370.3

HEARING PROCEDURE

Senator **Sasser**. I understand that you will speak from some slides for your presentation this morning. Also, I understand that you would like to present a short statement on the National Training Center and the project at Fort Carson, Colo., for land acquisition. In addition, I requested a short briefing on the [deleted] for which we will have to go into a closed session.

Therefore, when we are ready to go into the [deleted] briefing, I will make a motion to go into executive session and we will clear the room of all unauthorized personnel. Unfortunately, I have an appointment today at 11. It came up late last evening as things seem to do around here quite often.

I regret that we will probably have to cut the hearing shorter than we would wish. However, we will submit questions for the record and we will appreciate your prompt answers to these.

General Delbridge, if you will, why do you not just begin and we will hand it over to you.

General **Delbridge**. Thank you, Mr. Chairman.

I am very pleased to appear before the committee to present the Army's portion of our annual military construction appropriation request. Accompaning me today is Mr. Allan Carton who is the Programming Division Chief in the Office of the Chief of Engineers, and also, Lt. Col. Edward M. Jansen from my office. I think that our slides are ready, Mr. Chairman.

FY 82 MCA
($000)

APPROPRIATION	$1,099,700
AUTHORIZATION	$ 849,616

FY 82 AUTHORIZATION /APPROPRIATION

AUTHORIZATION REQUEST	$ 849,616
PROCUREMENT ARMY/ AMMUNITION (PAA)	−48,986
PREVIOUS AUTHORIZATION	150,570
GENERAL AUTHORIZATION	148,500
TOTAL APPROPRIATION	$1,099,700

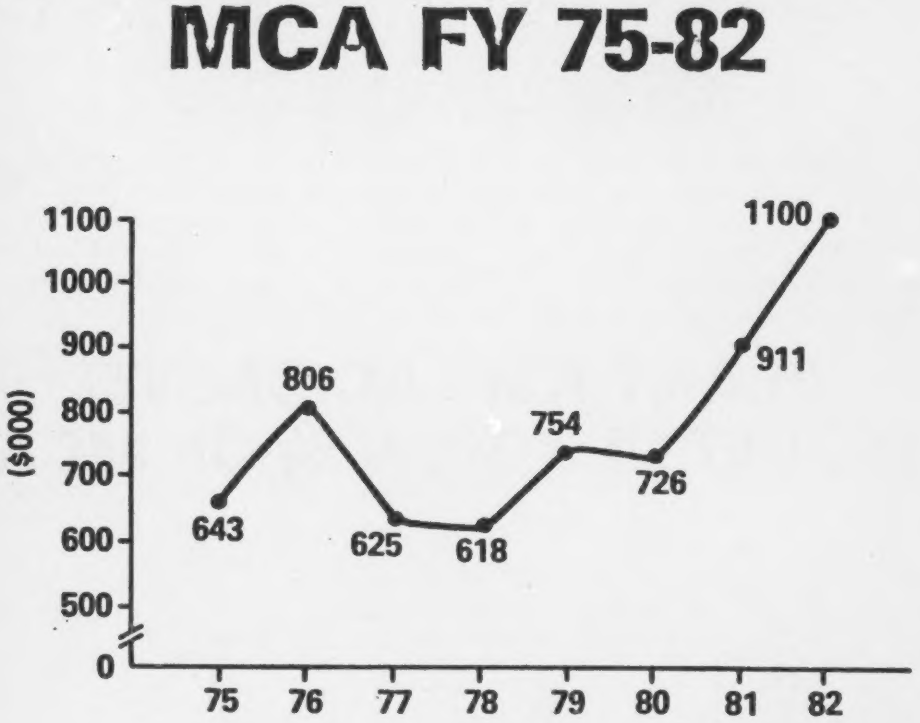
Slide 1

FISCAL YEAR 1982 MCA BUDGET REQUEST

Mr. Chairman, the fiscal year 1982 MCA budget request includes a request for total obligation authority of $1,099,700,000 and a companion request for authorization of $849,616,000. The authorization request includes approximately $49 million for ammunition facilities which are funded under the Defense Appropriation Act.

It does not include $149 million of general authorization for planning and design and access roads or $151 million of construction projects which have already been authorized by the Congress in prior years.

The general authorization this year has increased 52.3 percent to support both the design of the escalating future year MCA programs in support of force modernization programs and for the replacement and modernization of our deteriorating real plant, and the update of standards and criteria to include mobilization. For the first time, it will provide funding for limited design and construction supervision of NATO and host nation funded construction in Europe and the Pacific.



SLIDE 2

MCA PROGRAM DECLINE

As you will note from our fiscal year 1975 through fiscal year 1980 programs, sir, there was essentially a decline in the MCA program. That trend was reversed in fiscal year 1981, and the fiscal year 1982 program continues its upward trend. I will briefly touch on the significance of this in just a moment.

ARMY OBJECTIVES

Organize and man the force; equip and train the force; sustain the force; mobilize the force; and deploy the force.

ARMY OBJECTIVES

As in 1980, the Army's objectives continue to be to organize, man, equip, train, sustain, mobilize and deploy the force. The fiscal year 1982 MCA request is driven by and fully supports these objectives.

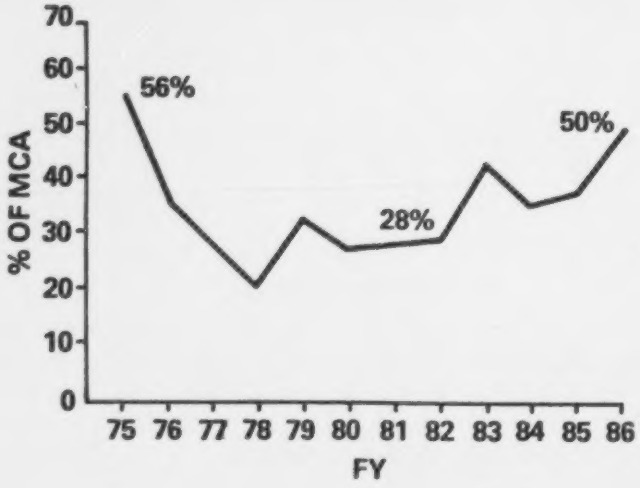
MCA Backlog—fiscal year 1982

	Millions
New mission	$1,727
Current mission	5,398
Plant replacement	9,202
Total	16,327

PLANT REPLACEMENT AND MODERNIZATION

There is another factor that drives the size and scope of the MCA program, and let me show you briefly the importance that the backlog of plant replacement and modernization has on our MCA program. You will note that our current backlog of over $16 billion through fiscal year 1986 is broken down into current and new missions, and includes our plant replacement of $9.2 billion.

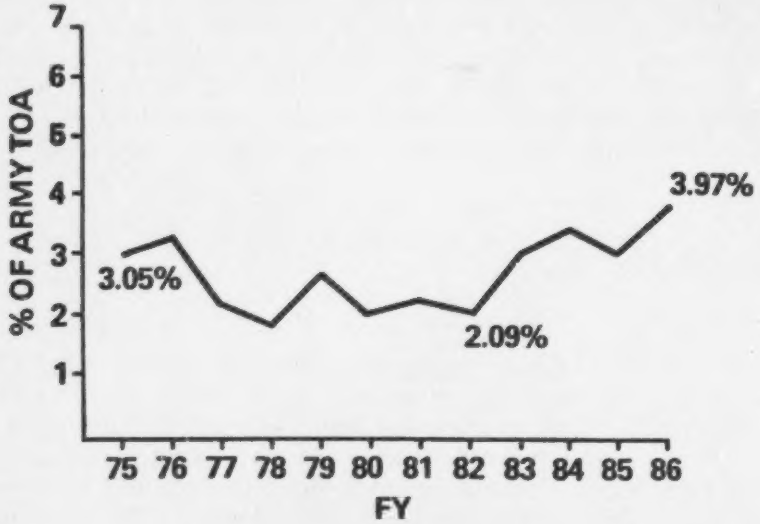
PLANT REPLACEMENT/ MODERNIZATION % OF MCA



SLIDE 5

This is better illustrated if we note that the past 7 years has seen a decline in the plant replacement program due to the surge in mission requirement, with a parallel increase in the backlog of facilities exceeding their useful life.

MCA % OF ARMY TOA



SLIDE 6

MCA PROGRAM SHARE

The dilemma has been recognized, however, and the current Army 5-year plan calls both for a significant increase in the plant replacement share of the MCA program and an increase in the MCA share of the Army's total overall obligational authority is shown.

FISCAL YEAR 1982 MCA BY MISSION

	Percent	Millions
New mission	23	$253
Current mission	33	362
Replacement/modernization	28	308
Exigent minor	3	28
General authorization	13	149
Total request	100	1,100

INVENTORY OF FACILITIES

In the current request, if you will note on the third line, 28 percent will go for replacement and modernization of the Army's aging inventory of facilities. This should be higher, particularly overseas, but it does represent a calculated balance of many competing priorities for the Army's limited resources.

Fiscal Year 1982 MCA Program Structure

Macoms and facility categories.

ARMY PROGRAM GEOGRAPHICALLY

The Army program can be viewed in two ways, Mr. Chairman: geographically structured by major commands, which we refer to as MACOM's, or grouped functionally into facility categories. However, it is the MACOM commander, with broad program guidance, who determines the priority needs of his soldiers and their families, and recommends the allocation of his scarce resources.

Army Major Commands (MADCOM's)

CONUS—DARCOM; FORSCOM; and TRADOC.
Overseas—USAREUR and EUSA.

MACOM'S IN CONUS

These MACOM's in the continental United States., CONUS, as we refer to it, and overseas are shown on the slide on the right. In the continental United States, we have Forces Command, FORSCOM, Training and Doctrine Command, TRADOC, and Development and Readiness Command DARCOM. Overseas we have U.S. Army, Europe, USAREUR, and 8th U.S. Army, EUSA, in Korea.

FISCAL YEAR 1982 MCA PROGRAM BY GEOGRAPHIC AREA

	Percent	Millions
Forward deployed	42.6	$469.0
CONUS	37.5	412.4
General authorization and other	20.0	220.0
Total	100.1	1,101.4

FOREIGN CONSTRUCTION PROJECTS

When our fiscal year 1982 MCA request is considered by geographic areas or major commands, the construction projects outside of the United States are concentrated in the major commands and account for approximately $468 million or about 42.5 percent of the budget request. The percent distribution of the construction for the major commands is shown on this chart.

Fiscal Year 1982 MCA Facility Categories

Quality of life.—Troop Housing; community; and medical.

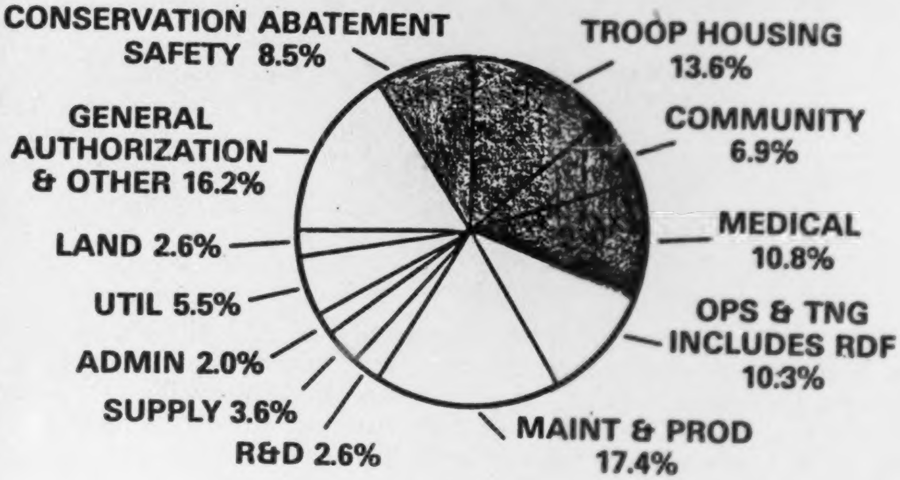
Force readiness.—Operations and training; maintenance and production; R. & D.; supply; administration; utilities; and land.

National priorities.—Environment/energy/safety, general authorization.

MCA BY FACILITY CATEGORIES

When we look at the fiscal year 1982 MCA program broken down by the various facility categories, the distribution of the program looks like this. I have further grouped these categories into broader areas of emphasis. For example, quality of life, force readiness or national priorities.

FY 82 MCA (1099.7)
BY FACILITY CATEGORY



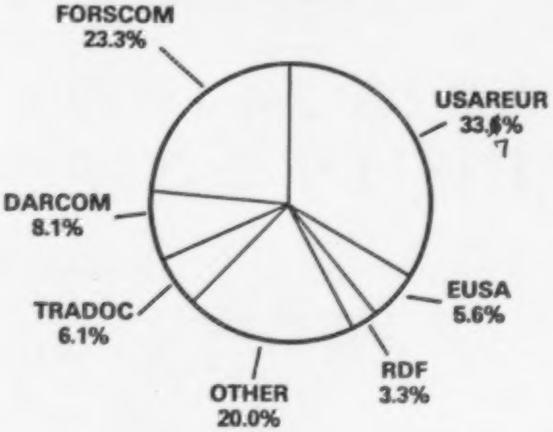
Slide 12

CATEGORY BREAKDOWN

A more graphic picture by percentage is shown here. If you will note, the quality of life area, which is shown in the darkened area, accounts for about a third of our program with just over another 40 percent for force readiness which on those charts is shown in green.

FY 82 MCA BY MACOM

1099.7M



SLIDE 13

USAREUR PROGRAM

Let me discuss the program in some detail, Mr. Chairman, first with major commands starting with United States Army in Europe. Our program for USAREUR totals $370,250,000. It is the largest slice at 33.7 percent, and rightfully so, since 26.5 percent of the Army is always forward deployed to Europe.

Senator SASSER. General, did you say 26 percent?

General DELBRIDGE. That is correct, 26.5 percent, yes, sir. It may also be considered, as you have already heard, Mr. Chairman, that it is a 35-year deployment to Europe done 1 year at a time, with consequently greater needs in the MCA, replacement and repair, and family housing areas.

In relation to the overall requirements, it is an extremely austere program. The program for USAREUR is the result of a careful sifting of requirements by the Commander in Chief, Europe, the Department of the Army, and the Office of the Secretary of Defense, for a changing force structure to meet the threat and provide, to the limit of our resources, the improved and desperately needed facilities for our troops.

(Deleted)

WEST GERMANY
EAST GERMANY
CZECHOSLOVAKIA

Slide 14

[Deleted.]

[Clerk's note.—Due to their classified nature, slides 15 and 16 have been deleted.]

GERMAN COMMITMENT ON ISSUES

The new administration has recently reaffirmed our Government's desire for an early German commitment to go forward on these issues. As part of our planning, we have included $18 million in the amended fiscal year 1982 program to initiate [deleted] construction and demonstrate commitment to proceed. We fully plan to recoup those funds once the program is underway. All other projects in the fiscal year 1982 program, [deleted] are compatible [deleted].

As you stated earlier, Mr. Chairman, I will cover the program in greater detail in closed session.

USAREUR MCA AND NATO PROGRAMS

[In millions of dollars]

Fiscal year	NATO infrastructure funding	MCA funding
1965-77	$114.8	$388.74
1978	57.8	171.7
1979	16.8	199.5
1980	283.3	109.0
1981 (estimate)	277.5	189.5
1982 (estimate)	200.5	370.25

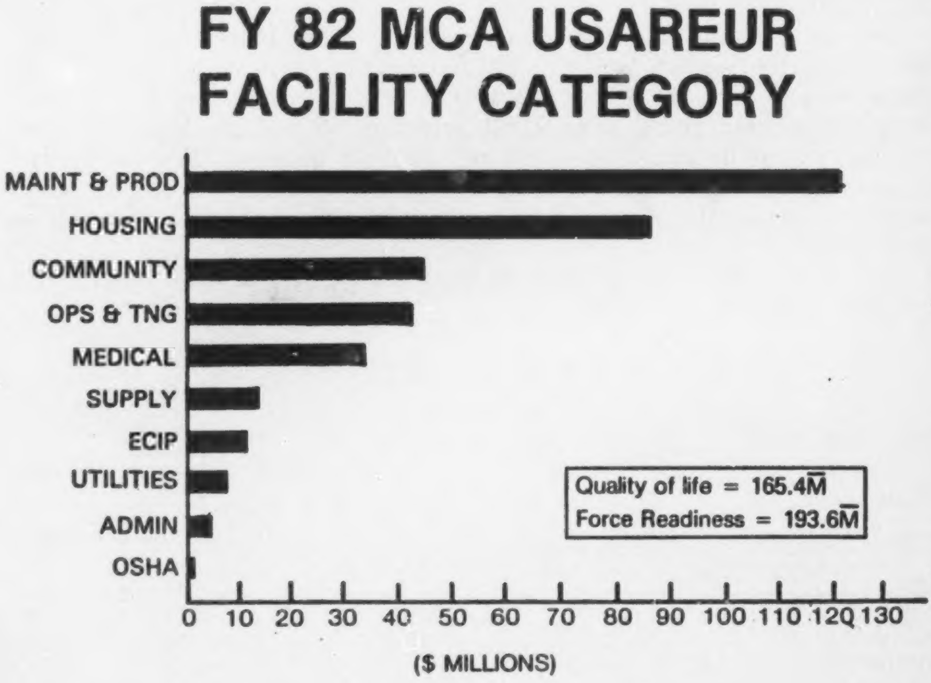
HOST NATION SUPPORT (CONSTRUCTION) ARMY SHARE

	Deutsche mark (millions)	Millions
Mousf 1971	576.4	[1] $288.2
Mousf 1974	503.2	[1] 251.7
Garlstedt 1976	171.2	[1] 85.6

[1] Dollars computed at $1 = 2.00 DM.

In addition [deleted] the Congress has also urged the Defense Department and the Army to seek increased NATO funding as well as host nation and other forms of support. As you will note, the Army's share of the 1980 NATO program has increased tenfold over the previous 5 years. This level continues in the proposed 1981 and 1982 NATO infrastructure programs for projects such as these storage facilities, for prepositioned military equipment, and other operational projects which meet the mutually agreed upon NATO infrastructures funding criteria.

Similarly, successful negotiations over the past several years have resulted in Federal Republic of Germany contributions to our stationing, particularly in improvements to the old kasernes which are occupied by our soldiers, as well as the model for future construction in Garlstedt where we located our northern brigade. I will cover that in a little more detail in the (deleted) presentation.



FY 82 MCA USAREUR FACILITY CATEGORY

Quality of life = 165.4M̄
Force Readiness = 193.6M̄

SLIDE 18

USAREUR FISCAL YEAR 1982 MCA PROGRAM

The scope of the USAREUR fiscal year 1982 MCA program by facility categories is shown here. Again note the amount dedicated to quality of life and force readiness.

There is a large construction requirement to replace old, functionally inadequate facilities such as this mess hall as well as maintenance and utilities systems. Over the years, initiatives to modernize our forces have filled available facilities to the brim exacerbating much of the already deplorable living and working conditions. Accordingly, present and future modernization initiatives will invariably require new construction.

USAREUR

Range upgrade program—$22.2 million.

MULTI-YEAR RANGE UPGRADE PROGRAM

USAREUR has developed a multi-year range upgrade program at the three U.S. controlled major training areas, Grafenwoehr, Vilseck, and Hohenfels. The fiscal year 1982 request for $22.2 million will modernize and improve the ranges to provide full and realistic training on the improved weapons being deployed to Europe in the next 5 years. These ranges are old, and are not configured to permit training to the full capabilities of the new systems now coming on line, for example, such as this new M-1 tank.

USAREUR Range Upgrade

Congress directed Army to seek NATO funding for range improvements.
NATO infrastructure program currently oversubscribed.

NATO PROGRAM

In its review of the fiscal year 1981 MCA program, Congress directed the Army to seek eligibility for NATO funding of future range improvements at major training areas with the provision that the United States retain control of the range management. The Army has initiated action to accomplish this even through national control implies national funding responsibility.

The NATO infrastructure program for the current 5-year period, fiscal year 1980 through fiscal year 1984, is oversubscribed with high priority projects already eligible for funding. Therefore, even if eligibility is approved by NATO, including retention of U.S. control, funding for construction of these range upgrade projects cannot be reasonably expected until about fiscal year 1985 to fiscal year 1988.

This would unacceptably and dangerously delay achieving the training and readiness permitted by these projects accordingly, MCA funding is again requested. The projects are being covered by precautionary prefinancing statements to protect U.S. rights for recoupment from NATO should it accept responsibility for funding under the conditions defined by Congress.

USAREUR AMMO

Basic Load Projects—$13.40 million.

The USAREUR program contains also $13.40 million for ammunition basic load projects to support introduction of the new weapon systems. The ammunition program is jointly funded with NATO. NATO funds the major storage facilities, those designed for war reserve ammunition requirements until resupply can be established; funding responsibility for unit basic load storage facilities, however, remains a national responsibility which is the basis of these requests.

USAREUR—TURKEY

MCA program—$20.8 million.

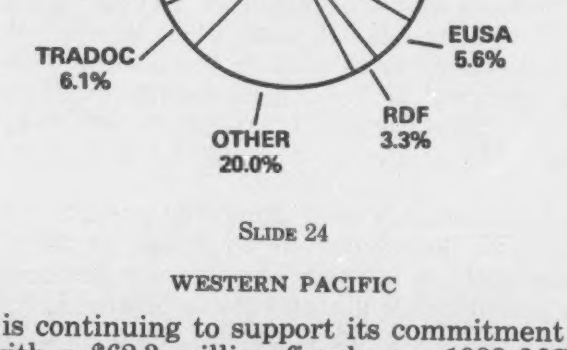
$20.8 million is included in the program to improve the substandard living and working conditions of our soldiers stationed at remote sites in Turkey. These sites were constructed to austere standards in the mid-1960's and have deteriorated. The barracks are overcrowded, have inadequate utility systems, and lack recreational facilities.

FISCAL YEAR 1982 MCA KOREA

$62.3 million.

FY 82 MCA BY MACOM

1099.7M



SLIDE 24

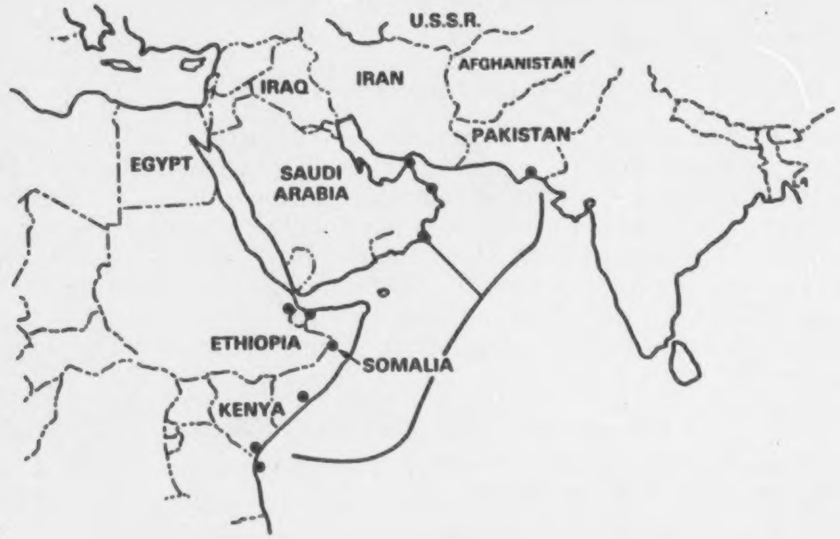
WESTERN PACIFIC

The Army is continuing to support its commitment in the Western Pacific with a $62.3 million fiscal year 1982 MCA request in support of the 8th U.S. Army in Korea. This represents 5.6 percent of our total request. This investment will continue the countrywide replacement of deteriorated utilities and temporary metal quonset buildings, which have long since exceeded their useful life. The intent is to replace these quonsets with decent but austere semipermanent construction.

FISCAL YEAR 1982 MCA RAPID DEPLOYMENT FORCE

$36.0 million.

FY 82 MCA MIDDLE EAST



SLIDE 26

ARMY REQUIREMENTS FOR SOUTHWEST ASIA

The present Army requirements for Southwest Asia are for two intermediate staging [deleted] one at Ras Banas, Egypt, and a second at a location yet to be determined. Ras Banas is to be a joint U.S. Air Force and Army facility that can accommodate a force which could deploy in or out by either air or sea. Additionally, the site would store prepositioned stocks of petroleum products and ammunition. Additional details on this project can be made available during the scheduled closed session on April 29, Mr. Chairman.

FISCAL YEAR 1982 MCA CONUS

$412 million.

CONTINENTAL U.S. PROGRAM

Moving now to the Continental United States, our budget request for the CONUS major commands this year identifies approximately $412 million in construction representing approximately 37.5 percent of our program.

Fiscal year 1982 CONUS MCA unit activation short falls

	Millions
Fort Drum, N.Y	$15.2
Fort Stewart, Ga	29.6
Fort Hood, Tex	18.5
Total	63.3

Fiscal year 1982 CONUS MCA largest programs

	Millions
Fort Carson	$110.7
Fort Irwin	43.8

FISCAL YEAR 1982 CONUS MCA

Darcom modernization—$88.8 million.

INSTALLATION INVESTMENT

Fort Carson, Colo. and Fort Irwin, Calif. are scheduled for the largest installation level investment as shown. I will discuss the requested construction at these installations in a moment. Unit activation shortfalls are the principal driving force behind the requirements at Fort Drum, Fort Stewart, and Fort Hood. Our $88.8 million request for the Material Development and Readiness Command, DARCOM, installations is dominated by modernization projects and those projects that support statutory and regulatory compliance.

FISCAL YEAR 1982 MCA PROGRAM HIGHLIGHTS

Force modernization; quality of life; maintenance & production; training; and conservation/pollution abatement safety.

FISCAL YEAR 1982 MCA FORCE MODERNIZATION

New weapon and other systems—$156.8 million.

SUPPORT TO FORCES MODERNIZATION

Let me now present a very brief overview of the key elements of our construction program, Mr. Chairman. As part of its forces modernization, the Army will receive in the 1980's a number of new weapons and other systems which together with organizational changes and doctrinal modifications will have a profound collective impact on Army facilities. These facilities requirements in fiscal year 1982 account for $156.8 million of our fiscal year 1982 request.

FISCAL YEAR 1982 MCA FORCE MODERNIZATION

Patriot missile system—$42.2 million.

PATRIOT MISSILE SYSTEM

The introduction of the Patriot missile system is supported by U.S. conjunctive funding with NATO, projects totalling $42.2 million. This is funding for the U.S. share of facilities whose criteria is beyond that allowed by NATO infrastructure agreements. The NATO portion of construction funded for this project is $41 million. All of these projects are in Germany and include barracks, basic load ammunition storage, and tactical equipment repair shops.

FISCAL YEAR 1982 MCA FORCE MODERNIZATION

Roland.—$30.7 million.

ROLAND WEAPON SYSTEM

Eleven projects totaling $30.7 million have been added to the fiscal year 1982 MCA program in support of the Roland weapon system. One project for construction of a training facility is scheduled for Fort Bliss, Tex. at $4.7 million. The remaining 10 projects, all in Germany, total $26 million and will provide maintenance shops, tactical equipment shops, ammunition igloos, and a barracks building to support Roland personnel.

FISCAL YEAR 1982 MCA FORCE MODERNIZATION

Multiple launch rocket system (MLRS).—$19.8 million.

MULTIPLE LAUNCH ROCKET SYSTEM

Eleven military construction projects totaling $19.8 million support the Army's multiple launch rocket system. Six of the projects are scheduled for Germany and five for locations in the United States. These projects include barracks, ammunition storage, tactical equipment shops, and a training facility for the system.

FISCAL YEAR 1982 MCA FORCE MODERNIZATION

Combat electronic warfare intelligence (CEWI) units.—$38.0 million.

COMBAT ELECTRONIC WARFARE INTELLIGENCE

Fourteen projects valued at $38 million to support equipment and organizational changes attendant to activation of combat electronic warfare intelligence (CEWI) units. These units will include improved airborne sensor systems. The projects are all located in Germany and consist of barracks, helipads, aircraft maintenance shops, tactical equipment repair shops, and training facilities.

FISCAL YEAR 1982 MCA FORCE MODERNIZATION

Stinger; Abrams tank (M-1); infantry fighting vehicle (IFV); remotely piloted vehicle (RPV)—$26.1 million.

STINGER TRAINERS

Finally, projects totalling $26.1 million will provide two training simulators for the Stinger, a hand held antiaircraft system, a range complex for the Abrams tank and a range complex for the infantry and cavalry fighting vehicle system, both at Grafenwoehr, Germany; and facilities for the remotely piloted vehicle system consisting of training facilities at Fort Sill, Okla.

FISCAL YEAR 1982 MCA PROGRAM HIGHLIGHTS

Force modernization; quality of life; maintenance and production training; conservation/pollution abatement/safety.

Fiscal year 1982 quality of life

	Millions
Medical	$118.2
Troop housing	149.9
Community	75.9
Total	344.0

QUALITY OF LIFE PROGRAM

The Army's quality of life program addresses critical facility shortfalls throughout the Army and is oriented toward fostering improved moral and welfare, and individual readiness and retention, and includes medical, troop housing, and community facilities totaling $344 million, a third of our fiscal year 1982 program.

Fiscal year 1982 MCA quality of life

	Millions
Medical:	
Fort Carson	$81
Frankfurt Hospital	33
Other	4
Total	118

Fiscal year 1982 MCA quality of life

	Millions
Medical:	
Fort Irwin	$0.4
Schofield Barracks	3.8
Total	4.2

Fiscal year 1982 MCA program highlights

	Millions
Quality of life:	
Medical	$118.2
Troop housing	149.9
Community	75.9
Total	344.0

MEDICAL FACILITIES

Shown here is a summary of the requirements for medical facilities which total $118 million. Included are replacement of the 37-year-old last cantonment type hospital at Fort Carson, Colo.; the modernization of the Frankfurt Hospital; limited renovation of health facilities at Fort Irwin, Calif.; and a new 38-chair dental clinic for Schofield Barracks, Hawaii.

The Army is vitally concerned with adequately housing its unaccompanied personnel. Some of the housing requirement were already highlighted in my discussions on Korea, Turkey, U.S. Army Europe as well as existing requirements in CONUS. The fiscal year 1982 budget requests $150 million for unaccompanied personnel housing.

This year's budget request, Mr. Chairman, included $75.9 million for community facilities worldwide. These include gymnasium and physical fitness centers, community support facilities, recreation center and library, fire station, and two child care centers. The two child care centers are located at Fort Hood, Tex. and the other in Pirmasens, Germany.

The Army, in accordance with OSD established policy, is requesting $3.8 million for these badly needed facilities. Present facilities are overcrowded and they are inadequate. The Army considers the child care program a vital asset in improving manpower retention.

FISCAL YEAR 1982 MAINTENANCE AND PRODUCTION

$191.0 million.

EQUIPMENT READINESS OF ARMY

To improve the equipment readiness of the Army, we have identified $191 million of the construction request for maintenance and production facilities. This will address some of the deplorable working conditions, particularly overseas, where our soldiers must maintain increasingly sophisticated weaponry.

Fiscal year 1982 MCA training

	Millions
National Training Center	$43.8
Fort Carson land acquisition	29.0
Total	72.8

TRAINING

In the area of training, we are requesting $72.8 million for the two major projects which address a concept of training geared to the modern battle field, the National Training Center at Fort Irwin, Calif., and acquisition of training land at Fort Carson, Colo. The fiscal year 1982 MCA request for Fort Irwin includes 10 projects for a total of $43.8 million. It includes barracks, family housing, maintenance and utilities facilities. The National Training Center will provide our combat battalions with advanced and realistic tactical training short of actual combat.

Although Fort Irwin has many facilities that will reduce the cost of establishing the National Training Center, Army planning to date has identified approximately $146 million in military construction from fiscal year 1982 through fiscal year 1986. The $29 million at Fort Carson, Colo., is for badly needed land acquisition for expanded home station training facilities for the 4th Mechanized Division.

Mr. Chairman, with your permission, and per your original discussion, I am prepared to present to you a more detailed briefing on the National Training Center at Fort Irwin in a moment.

Fiscal year 1982 MCA conservation pollultion abatement/safety

	Millions
Environmental	$11.3
Energy	71.2
Safety	11.1
	93.6

ENERGY CONSERVATION AND POLLUTION ABATEMENT

Finally, we are requesting for the Army's energy conservation and pollution abatement program $93.6 million. The fiscal year 1982 energy conservation investment program consists of 45 projects at a cost of $71 million. They range from simple weatherstripping to the sophistication of control and monitoring solar heating and heat recovery systems building such as this at Fort Hood. During the last year, energy conservation projects throughout the Army achieved a 4.76 percent energy consumption reduction.

As a result of our earlier efforts in meeting the requirements of the Clean Water and Air Acts, the size of the fiscal year 1982 program is the smallest since fiscal year 1969. The budget for fiscal year 1982 totals $11.3 million.

SAFETY PROGRAM

Our fiscal year 1982 MCA request in support of the Army safety program consists of 15 projects at a cost of $11.1 million for the elimination of safety deficiencies. The Army's program has given priority to correcting the most serious hazards, such as these exposed steam lines. It is our goal to correct through construction and repair all identified unhealthy or unsafe conditions classified as catastrophic or critical hazards, that is risk assessment codes one and two, not later than fiscal year 1984.

ARMY OBJECTIVES

	Percent
Organize and man the force	43.8
Equip and train the force	12.0
Sustain the force	25.3
Mobilize and deploy the force	6.2
National priorities	12.7

SUMMARY

Mr. Chairman, in summary, I would like to emphasize that our fiscal year 1982 MCA budget request reflects the Army's objectives and the priorities stemming from the filed commanders. It's a balanced program we feel, and consistent with fiscal realities which provides our soldiers decent modern and functional facilities which contribute to fulfilling acceptable standards of quality of life and force modernization.

Events of the past several years have clearly established the need to improve the operational readiness and war fighting capability of the Army. Proposed construction projects I have outlined in this brief overview will support required improvements in the Army's ability to recruit, maintain and sustain the force and accomplish its assigned mission. At the same time, however, the manifest need to improve the life cycle management of our inventory of aging facilities is unchallenged, and plant replacement and modernization are cornerstones of the 5-year program.

Mr. Chairman, this concludes my statement. I will be pleased to answer any questions. See, based on time, that we could go right into the master restationing plan, sir, if you like.

Senator SASSER. Yes, we would like to do that, General.

FORT CARSON, COLORADO, LAND ACQUISITION

(CHARTS APPEAR AT CONCLUSION OF STATEMENT)

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I AM PLEASED TO HAVE THIS OPPORTUNITY TO PROVIDE AN OVERVIEW OF THE LAND ACQUISITION PROJECT FOR FORT CARSON.

AS YOU KNOW THE ARMY NOW HAS AND WILL BE RECEIVING MANY WEAPON SYSTEMS WITH TREMENDOUS CAPABILITIES. THESE WEAPONS ARE NEEDED TO OFFSET ADVANCES MADE BY SOVIET AND WARSAW PACT FORCES WHO ENJOY APPROXIMATE PARITY IN WEAPONS TECHNOLOGY. HOWEVER, THE COMBAT POTENTIAL OF NEW ARMY WEAPONS WILL NEVER BE FULLY REALIZED IF OUR FORCES ARE NOT ADEQUATELY TRAINED TO USE THEM EFFECTIVELY. TRAINING IS THE LINK BETWEEN COMBAT DOCTRINE AND BATTLEFIELD EXECUTION AND IT IS TOTALLY DEPENDENT ON ADEQUATE RESOURCES, SUCH AS MANEUVER AREAS.

I WOULD LIKE TO FOCUS ON THE CRITERIA AND THE BASIS FOR THE ARMY'S DOCTRINE ON TRAINING LAND AND THEN EXPLAIN THE APPLICATION OF THAT DOCTRINE WHICH HAS RESULTED IN THE NEED FOR ADDITIONAL TRAINING LAND AT FT CARSON.

THE ARMY'S TRAINING LAND RESOURCES ARE NOT SUFFICIENT TO ALLOW REALISTIC TRAINING FOR MANY COMBAT UNITS. THE TRAINING IS OFTEN NOT REALISTIC BECAUSE MODERN WEAPON SYSTEMS HAVE GREATLY CHANGED THE TEMPO, LETHALITY, AND THE DISPERSION ON THE BATTLEFIELD.

CONSIDER THE ADVANCES IN FIREPOWER AND RANGE THAT HAVE OCCURRED IN MAJOR WEAPON SYSTEMS SINCE WWII. THE TRIANGLES REPRESENT THE CHANGES IN AVAILABLE FIREPOWER PER FORWARD MAN ON THE BATTLEFIELD. AS THE LARGE TRIANGLE ON THE RIGHT INDICATES, A MODERN US DIVISION CAN SHOOT OVER 1600 POUNDS OF PROJECTILES PER MAN IN 30 MINUTES OF COMBAT. DURING THE CIVIL WAR THIS FIGURE WAS ONLY 9 POUNDS PER MAN.

THIS INCREASE IS DUE TO THE GREATER DENSITY OF WEAPONS AND THEIR GREATER RATE OF FIRE. IN ADDITION TO FIREPOWER, THE RANGE OF MODERN WEAPONS HAS ALSO INCREASED. FOR EXAMPLE, YOU CAN SEE THE DRAMATIC INCREASE IN RANGE FOR ARTILLERY, TANKS, AND ANTITANK WEAPONS SINCE WORLD WAR II.

THE RANGE OF THE DIVISION'S ARTILLERY SUPPORT SYSTEM HAS INCREASED ABOUT 300 PERCENT. FOR TANKS AND ANTITANK WEAPONS THE INCREASE HAS BEEN FROM 300 TO 600 PERCENT RESPECTIVELY. WEAPON MOBILITY HAS ALSO INCREASED SIGNIFICANTLY.

THESE CHANGES IN THE MOBILITY, FIREPOWER, AND RANGE OF MAJOR WEAPON SYSTEM HAVE FUNDAMENTALLY ALTERED THE WAY THE ARMY FIGHTS AND TRAINS. WARFARE HAS REACHED THE

POINT WHERE, IF THE ENEMY CAN BE SEEN, HE CAN BE KILLED. ON THE MODERN BATTLEFIELD VEHICLES, MEN, AND EQUIPMENT MUST DISPERSE TO ADVOID BECOMMING LUCRATIVE TARGETS. THIS DISPERSED POSTURE INCREASES PROBLEM WITH COMMUNICATION, COMMAND, AND CONTROL, AND LOGISTICS.

TO TRAIN FOR COMBAT UNDER THESE CONDITIONS, A BATTALION MUST MOVE, SHOOT, AND COMMUNICATE OVER LARGE DISTANCES. THE INTENSITY OF THIS TYPE OF COMBAT CAUSES HEAVY LOSSES. HISTORY HAS SHOWN THAT UNITS WITH COMBAT EXPERIENCE STAND A BETTER CHANCE OF SURVIVING AND WINNING ON THE BATTLEFIELD.

THE ARMY IS SEEKING TO GENERATE THIS EXPERIENCE THROUGH COMBAT ORIENTED TRAINING BY CREATING AN ENVIRONMENT WHICH DUPLICATES ACTUAL BATTLEFIELD CONDITIONS AS CLOSE AS POSSIBLE.

AT A NUMBER OF ARMY INSTALLATIONS, THE AVAILABLE HOME STATION TRAINING AREAS ARE INADEQUATE FOR SUCH TRAINING.

IN 1977, THE ARMY INITIATED A REVIEW TO DEVELOP STANDARDIZED CRITERIA FOR DETERMINING MANEUVER TRAINING LAND REQUIREMENTS BASED ON THE TYPES OF TASKS THAT UNITS ARE EXPECTED TO PERFORM IN COMBAT. THESE TASKS ARE IDENTIFIED IN THE ARMY TRAINING AND EVALUATION PROGRAM WHICH PROVIDES STANDARDS THAT A UNIT MUST MEET TO ENSURE COMBAT READINESS.

THE REVIEW CULMINATED IN AUGUST 1978 WITH PUBLICATION OF THE ARMY'S CURRENT TRAINING CIRCULAR ENTITLED TRAINING LAND. THE TRAINING CIRCULAR LISTS THE DURATION OF EACH TRAINING TASK AND THE NUMBER OF TIMES PER YEAR THAT THIS TASK SHOULD BE PERFORMED TO MAINTAIN COMBAT PROFICIENCY.

AS A MINIMUM, EACH DIVISION NEEDS A CONTIGUOUS AREA LARGE ENOUGH TO HANDLE ALL OF THE VARIOUS MANEUVER TRAINING EVENTS REQUIRED IN THE ARMY TRAINING AND EVALUATION PROGRAM FOR THAT TYPE DIVISION. SHOWN HERE IS THE ACREAGE REQUIREMENTS FOR VARIOUS MANEUVER TRAINING EVENTS FOR THE COMBAT BATTALIONS OF A MECHANIZED INFANTRY DIVISION SUCH AS THAT AT FT CARSON.

THESE BATTALION TASKS ARE LISTED IN ORDER OF DECREASING ACREAGE REQUIREMENT. WHILE THE OVERALL DIVISION MAY BE CONDUCTING AN PERFORM ALL OF THESE TASKS IN ORDER TO APPLY FIREPOWER AND MANEUVER WHERE NEEDED TO ACCOMPLISH THE OVERALL DIVISION DEFENSE MISSION.

NOTE THAT THE FIRST TASK--THE DELAY--IS THE LARGEST SINGLE EVENT FOR THE BATTALION. THIS EVENT REQUIRES A CONTIGUOUS 82,531 ACRE TRAINING AREA.

THE DELAY IS AN IMPORTANT DEFENSIVE OPERATION THAT TRADES SPACE FOR TIME. IT DEMANDS PERFECT TIMING, UNIT COHESION, AND CONTINUOUS COMMUNICATIONS SINCE A FAILURE IN ANY OF THESE DISCIPLINES ALLOWS ENTRAPMENT AND DEFEAT. TRAINING TO PROPERLY EXECUTE A DELAY IS CRUCIAL BECAUSE US FORCES ARE LIKELY TO FIGHT OUTNUMBERED, AT LEAST INITIALLY, IN ANY FUTURE MAJOR ENGAGEMENT IN EUROPE OR ELSEWHERE. THE DELAY OPERATION WILL PLAY A MAJOR ROLE IN SLOWING THE ENEMY ATTACK TO ALLOW TIME FOR REINFORCEMENTS.

I WOULD LIKE TO TURN NOW TO THE STEPS TAKEN BY THE ARMY IN SEEKING A SOLUTION TO THE CRITICAL SHORTAGE OF TRAINING LAND AT FT CARSON.

IN 1978, FT CARSON PREPARED A LAND USE AND REQUIREMENTS STUDY USING THE ARMY'S STANDARDIZED DOCTRINE I DISCUSSED EARLIER. THE PURPOES OF THE STUDY WAS TO ANALYZE THE UTILIZATION OF CURRENT LAND AVAILABLE, AND DETERMINE ANY NEED FOR ADDITIONAL LAND TO ACCOMPLISH THE FT CARSON TRAINING MISSION. (HANDOUT 1) SHOWN ON THIS MAP ARE THOSE AREAS OF THE FT CARSON RESERVATION THAT ARE UNUSABLE OR UNSUITABLE FOR MANEUVER TRAINING.

THE YELLOW AREAS ARE OFF-LIMITS TO TRAINING. THESE AREAS TOTAL ABOUT 30% OF THE INSTALLATION AND INCLUDE CANTONMENT, IMPACT, AND AMMO STORAGE AREAS AND TANKS RANGES. ANOTHER 10% OF THE POST, SHOWN IN BROWN, IS EXTREMELY RUGGED AND IS NOT SUITED FOR MECHANIZED MANEUVER TRAINING. THE BLUE AREAS HAVE BEEN TEMORARILY SET ASIDE OR RESTRICTED FROM MANUVER TRAINING FOR ENVIRONMENTAL REASONS, AND TO PREVENT GROUND COVER DISINTEGRATION. THESE AREAS AVERAGE ABOUT 13% OF THE INSTALLATION'S LAND. FINALLY, ABOUT 7% OF THE POST IS TAKEN UP WITH RANGE SAFETY REQUIREMENTS WHICH ARE NOT SHOWN.

TO FURTHER DEMONSTRATE THE SHORTAGE OF CONTIGUOUS TRAINING AREA, THIS NEXT MAP (HANDOUT 2) ILLUSTRATES THE SIZE OF THE MECHANIZED BATTALION DELAY TASK IMPOSED OVER AN OUTLINE OF THE USABLE RESERVATION.

THE AREA INSIDE THE RECTANGLE INDICATES THE LARGEST CONTIGUOUS MANEUVER AREA AVAILABLE ON THE RESERVATION. AS CAN BE SEEN, THERE IS A SERIOUS SHORTFALL.

In December 1978, Department of the Army approved the Land Use and Requirements Study and its findings.

The third finding shows that there is no shortage of land for impact areas or range facilities at Ft Carson. Therefore, there would be no requirement for the firing of live ammunition within any additional acreage required. The last but very important finding is related to environmental considerations and shows the need for 150,000 to 200,000 acres to support the current training load and provide for an adequate environmental management program at Ft Carson.

In other words, the basic shortfall of maneuver land must be adjusted to the carrying capacity of the land being used and will vary for specific locations and installations.

After studying several other alternatives, the Army decided to seek an adequate training area away from Ft Carson but within a days travel. The Army limited its search to areas within one days travel because of the greatly increased costs of going beyond that distance.

Identification of a possible training site was aided by the unsolicited offer to the Army of six potential sites. In addition to these, fourteen other sites were examined on private and federal lands. Eighteen sites were rejected during the course of an analysis study due to poor size, access, and configuration or distance from Ft Carson.

Based on the characteristics shown here, the Army selected the Pinon Canyon site as its preferred alternative. This parcel contains approximately 244,000 acres and is 155 road miles from Ft Carson.

The parcel was selected because of its remoteness from population centers and its superior training value. The terrain at the Pinon Canyon site is well configured to challenge mechanized or armored battalion task force maneuvers. The terrain is more varied and presents greater latitude for realistic battlefield situations.

The capital costs for Pinon Canyon represent only those improvements needed to implement environmental protection requirements and to provide essential support facilities. Development costs would be about forty million dollars. Construction would be spread out over several years and would include building a cantonment area, rail head, fencing, constructing access and interior roads, connecting utilities, and conducting archaeological surveys and baseline environmental studies. Continuing operations and maintenance expenditures would be about five million dollars per year. Based on experience at other military installations as well as Ft Carson, it is fair to assume that s significant percentage of these funds would find their way into the local economy. It is the Army's desire that as much of the money as possible remain in the local area.

The Pinon parcel contains more than the 150-200 thousand acre requirement identified in the Land Use and Requirements Study findings because those findings were not site specific. The soil on this area of Colorado is more fragile and therefore more acreage is needed to minimize environmental impacts.

An extensive land use management plan has been developed to protect the area from overuse. The plan.defines the level of training activity and environmental management that will be accomplished. Under the plan, the training site will be divided into five management areas to allow for rotational use (Handout 3). This last map shows the management areas (A-E) for the Pinon parcel.

The three protected areas defined by the red lines would be off-limits to training. They include soil protection areas and a transportation corridor to facilitate troop movement between management units.

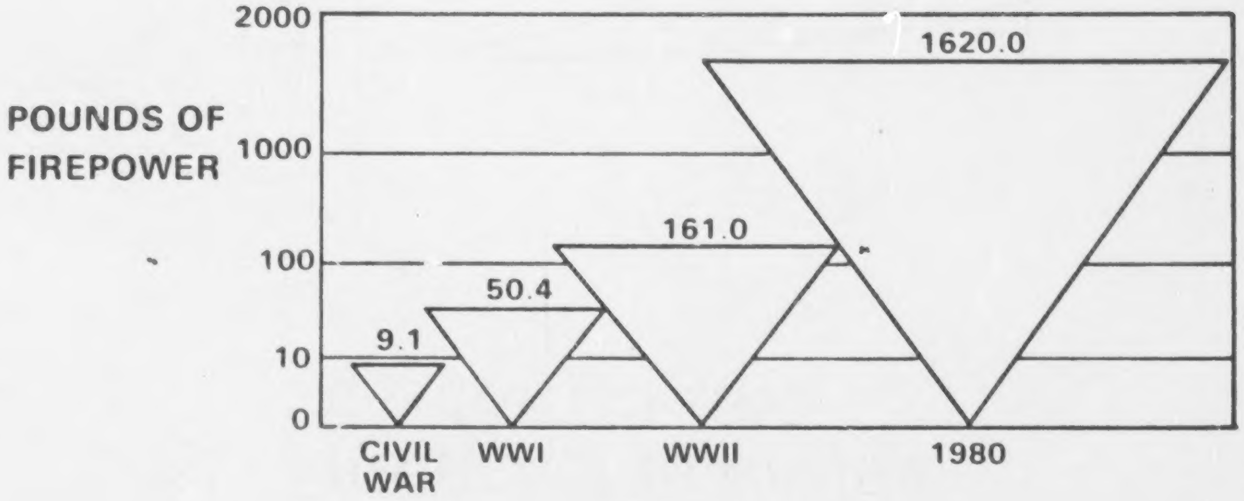
The management plan allows for a cyclic rotation of these training areas. Each area would receive a three year use period followed by two years of rest to restore the vegetative cover.

In summary, the Army has selected the Pinon site because of its greater capacity for improving the combat proficiency of the 4th Infantry Division (Mechanized).

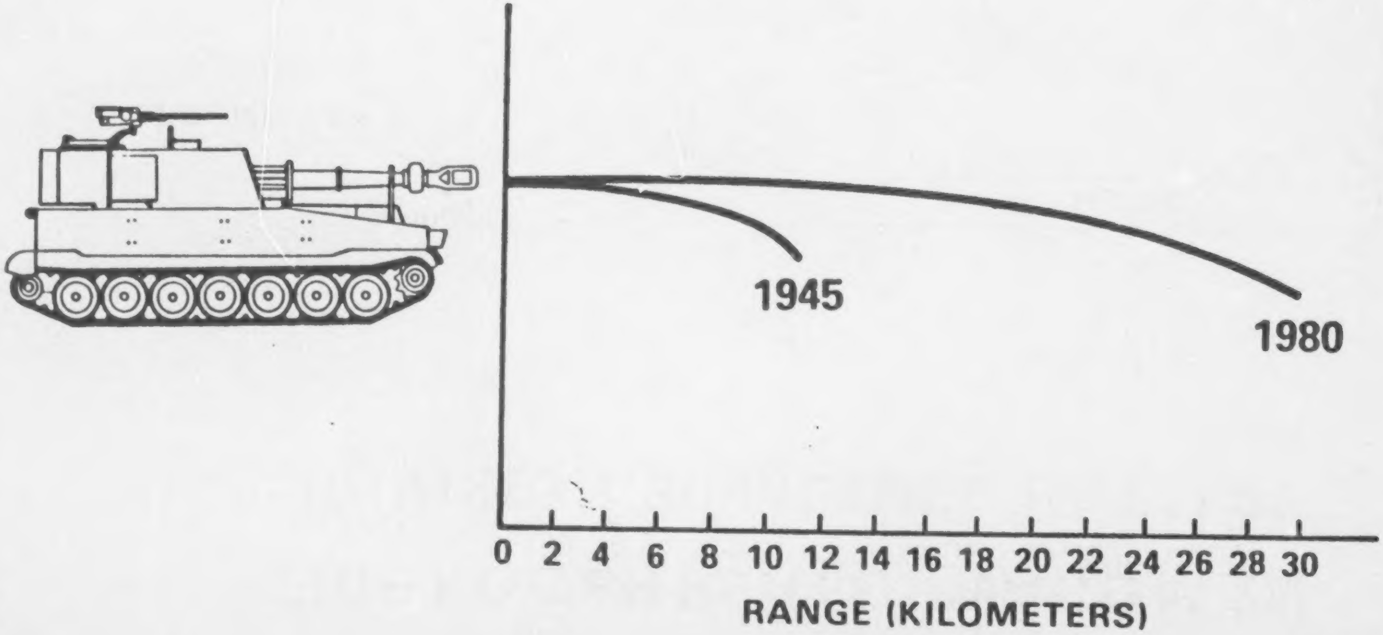
IT SHOULD BE EMPHASIZED THAT FT CARSON'S NEED FOR ADDITIONAL TRAINING LAND IS URGENT. COMBAT UNITS MUST TRAIN AS THEY ARE EXPECTED TO FIGHT AND THE ARMY RECOGNIZES THAT THIS REQUIREMENT MUST BE WEIGHED AGAINST THE ENVIRONMENTAL AND SOCIO-ECONOMIC IMPACTS OF ACQUIRING ADDITIONAL LAND. THE ARMY BELIEVES THAT THESE OBJECTIVES ARE NOT MUTUALLY EXCLUSIVE, AND IT IS CONFIDENT THAT THE NATION'S DEFENSE NEEDS AND THE INTERESTS OF THE PUBLIC CAN BE AGREEABLY ACCOMMODATED.

GENTLEMEN, THIS CONCLUDES THE BRIEFING, DO YOU HAVE ANY QUESTIONS?

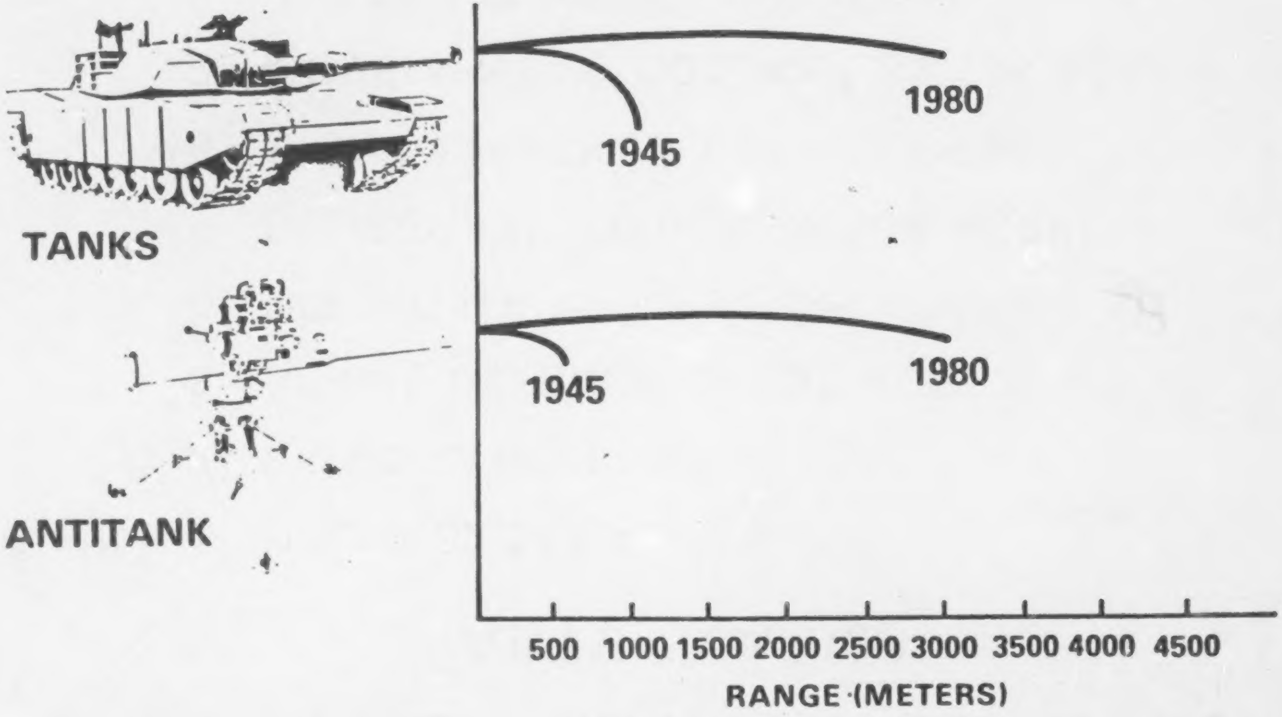
FIRE POWER PER FORWARD MAN
(DIVISION,30 MINUTE BATTLE)



INCREASING RANGE
(ARTILLERY)



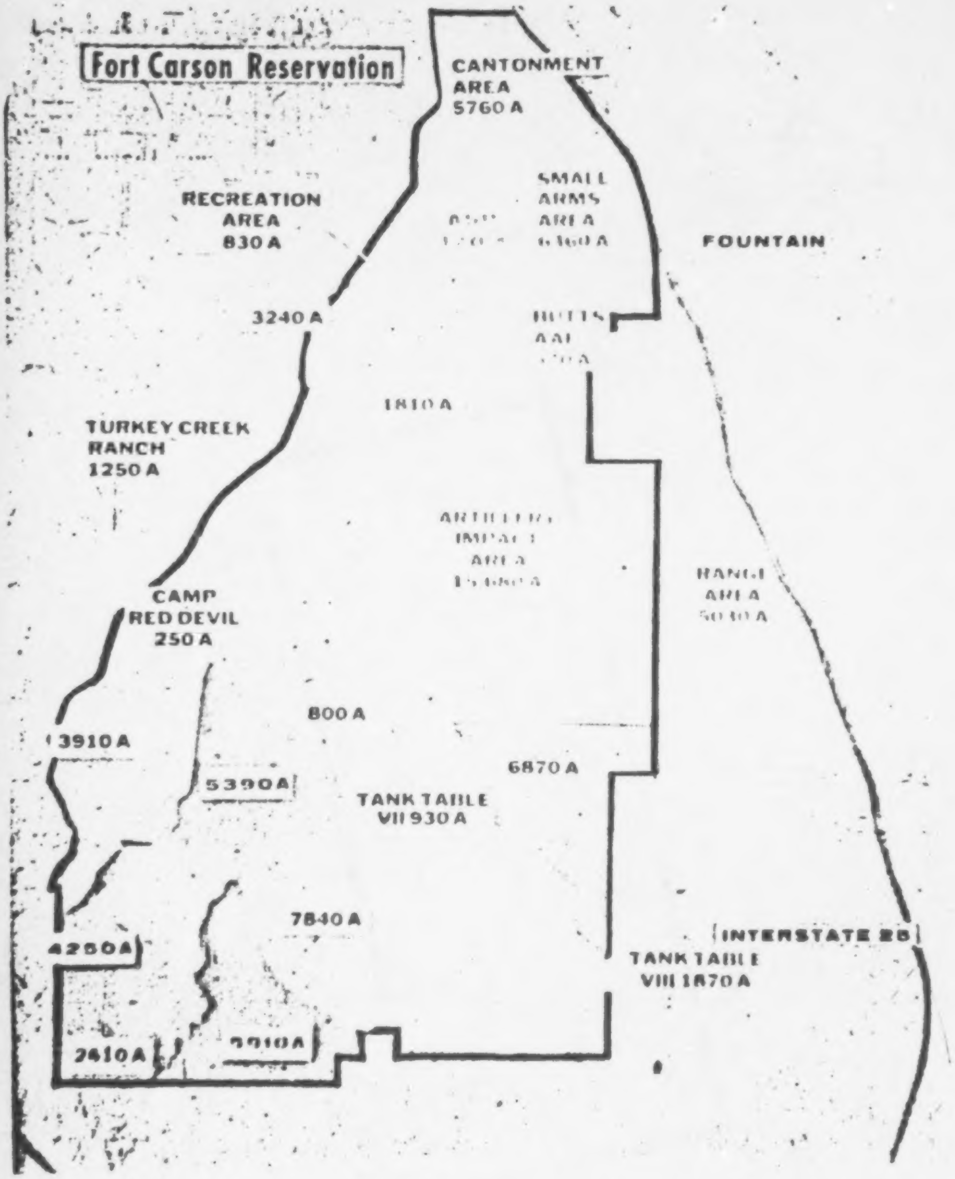
INCREASING RANGE
(TANKS AND ANTITANK WEAPONS)

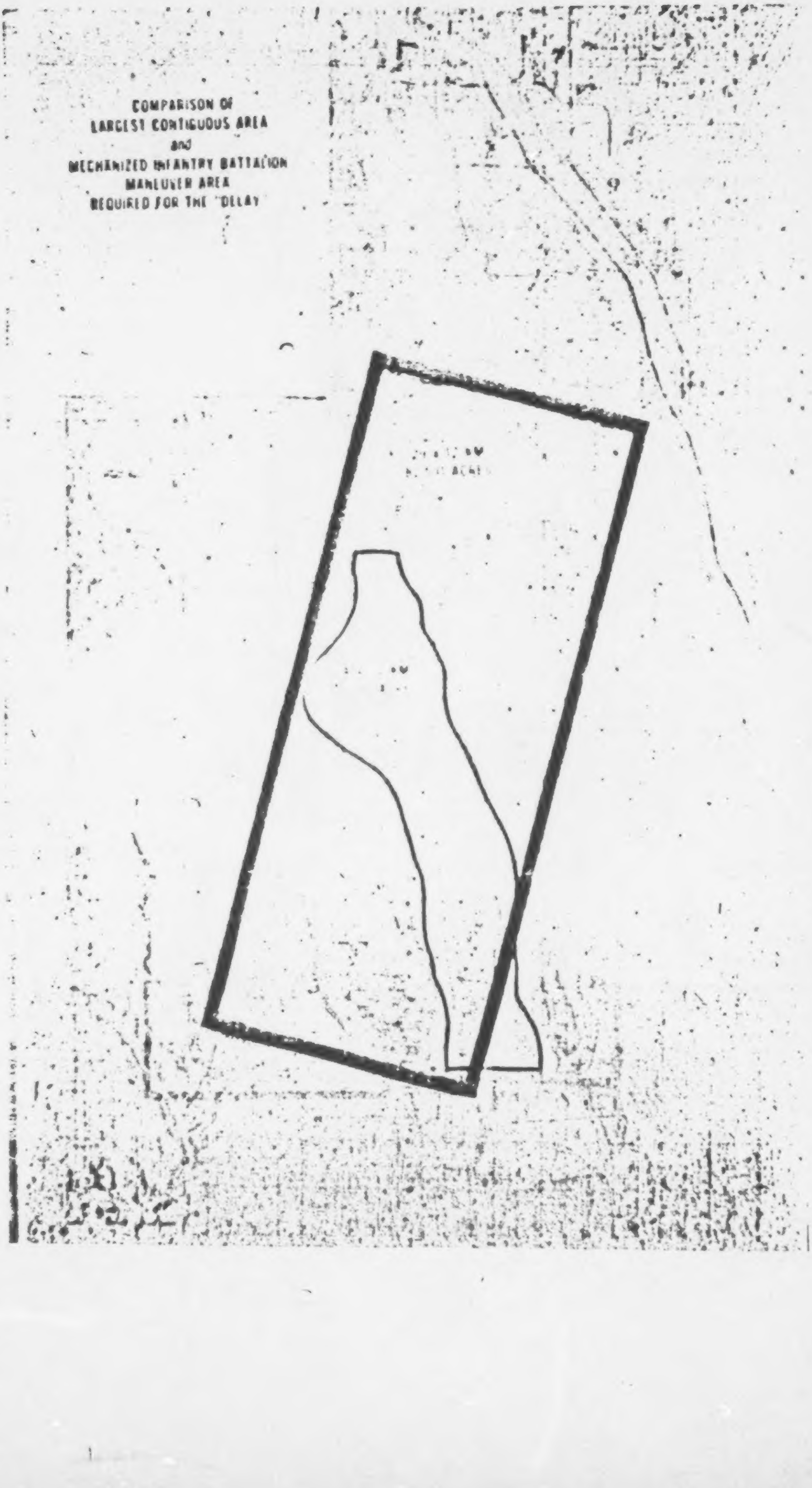


MECHANIZED INFANTRY BATTALION

ARTEP TASKS

1. DELAY-82,531 ACRES
2. EXPLOITATION-74,130 ACRES
3. ACTIVE DEFENSE-60,292 ACRES
4. DISENGAGEMENT-52,385 ACRES
5. DELIBERATE ATTACK-32,864 ACRES
6. NIGHT ATTACK-32,619 ACRES
7. MOVEMENT TO CONTACT-31,135 ACRES
8. HASTY ATTACK-22,486 ACRES
9. MILITARY OPERATIONS IN BUILT-UP AREAS-2,224 ACRES


Fort Carson Reservation
CANTONMENT AREA 5760 A
RECREATION AREA 830 A
SMALL ARMS AREA 6160 A
FOUNTAIN
3240 A
BUTTS AAF
1810 A
TURKEY CREEK RANCH 1250 A
ARTILLERY IMPACT AREA
RANGE AREA
CAMP RED DEVIL 250 A
800 A
3910 A
6870 A
5390 A
TANK TABLE VII 930 A
7840 A
INTERSTATE 25
4250 A
TANK TABLE VIII 1870 A
2410 A
2210 A

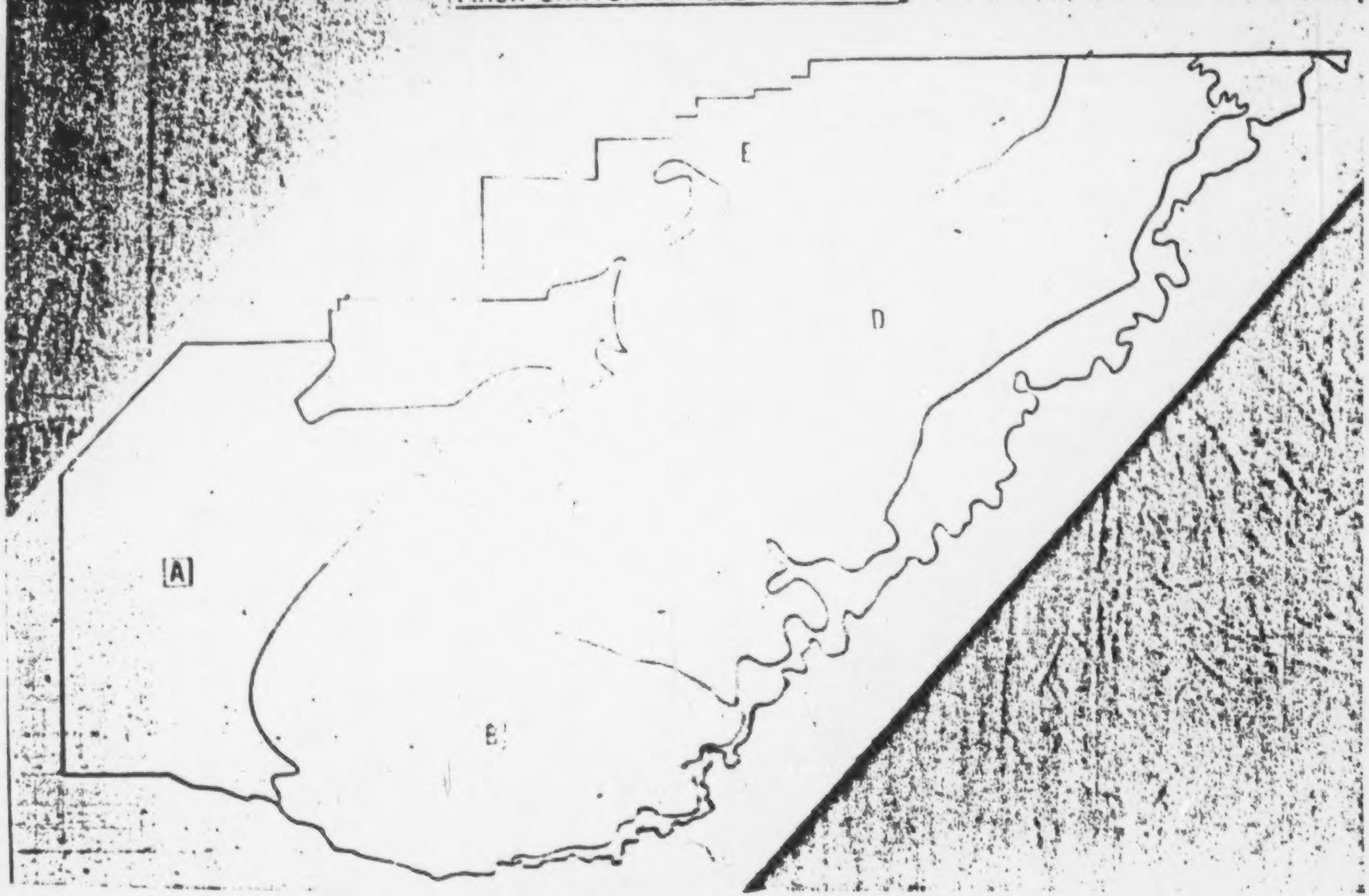

COMPARISON OF
LARGEST CONTIGUOUS AREA
and
MECHANIZED INFANTRY BATTALION
MANEUVER AREA
REQUIRED FOR THE "DELAY"
ACRES

LAND USE REQUIREMENTS
STUDY FINDINGS

1. SHORTFALL OF 54,351 ACRES FOR THE ARTEP EVENT REQUIRING THE LARGEST ACREAGE (THE DELAY).
2. SHORTFALL OF 13,767 ACRES FOR CONDUCT OF ALL REQUIRED TRAINING BY UNITS TRAINING AT FORT CARSON.
3. NO SHORT FALL FOR IMPACT AREAS AND RANGE FACILITIES.
4. REQUIREMENTS FOR 150,000/200,000 ACRES OF ADDITIONAL LAND TO SUPPORT CURRENT TRAINING LEVEL, AND PROVIDE FOR AN ADEQUATE ENVIRONMENTAL MANAGEMENT PROGRAM THAT WILL PRESERVE THE LAND RESOURCES.

ANALYSIS OF ALTERNATIVES STUDY - SITE EVALUATION CRITERIA:

1. SIZE
2. CONFIGURATION
3. YEAR-ROUND ACCESS
4. VARYING TOPOGRAPHY
5. REMOTENESS FROM POPULATION
6. DISTANCE AND TRAVEL TIME
7. PROXIMITY TO ROADS
8. PROXIMITY TO RAILROADS
9. VEGETATION COVER
10. ENVIRONMENTAL CONSTRAINTS



PINON CANYON PARCEL BASE MAP

NATIONAL TRAINING CENTER

The Army's highest priority training initiative is the establishment of the National Training Center at Fort Irwin, California.

The National Training Center will provide the Army a training area where a total combat environment can be simulated. Such an environment comprising realistic maneuver areas comparable with modern battlefield requirements, warfare techniques, and future weaponry developments will increase the Army's combat readiness. It will also provide objective data which will be used to measure the effectiveness and efficiency of units, organizations, equipment, tactics, and doctrine.

The US Army recognizes that if it is to achieve its objective of winning the land battle, it must develop and maintain the capability to fight when outnumbered and win the first as well as subsequent battles. Not only must the Army be capable of winning when outnumbered, but it must be prepared to do so against opponents who enjoy approximate parity in weapons technology. Only by fielding a significantly more competent force can the balance be swung in our favor. We must have superior training under realistic conditions; we must have eliminated mistakes; and we must field a "combat experienced" Army or one as close to that as resources and ingenuity allow.

We must provide our units soldiers simulated combat in peacetime in order to increase their probability of

SURVIVAL ON ANY FUTURE BATTLEFIELD. THIS GRAPH DESPICTS HOW THE PROBABILITY OF SURVIVAL ON THE BATTLEFIELD INCREASES DIRECTLY WITH THE NUMBER OF COMBAT ENGAGEMENTS. THE NATIONAL TRAINING CENTER IS DESIGNED TO SIMULATE, AS CLOSE AS POSSIBLE, THAT INITIAL EXPOSURE TO COMBAT TO GIVE OUR SOLDIERS THE EXPERIENCE "EDGE" OVER ANY ADVERSARY WITH A COMPOUNDING INCREASE IN OUR SURVIVAL RATE.

THE IMPROVED RANGE AND LETHALITY OF WEAPONS AND THE INCREASED MOBILITY ON THE BATTLEFIELD, RESULT IN THE DECREASED DENSITY ON THE MODERN BATTLEFIELD. THIS IS GRAPHICALLY PORTRAYED WHEN YOU COMPARE THE DENSITY OF TODAYS BATTLEFIELD WITH THOSE OF THE PAST.

ADDITIONALLY, THE TREMENDOUSLY INCREASED COMBAT POWER OF CLOSE AIR SUPPORT, THE EXTENSIVE USE OF AND RELIANCE UPON THE ELECTROMAGNETIC SPECTRUM AND THE IMPACT OF ELECTRONIC WARFARE COMBINED TO GENERATE A BATTLEFIELD ENVIRONMENT NEVER BEFORE EXPERIENCED. THE ARMY'S BATTALIONS MUST BE SUBJECTED TO THAT EXPERIENCE DURING TRAINING; THEY MUST BECOME INURED TO THE PRESSURES OF MODERN COMBAT. BATTLEFIELD COMMANDERS MUST, THROUGH FAMILIARITY WITH THE ENVIRONMENT, BE ABLE TO TURN THE PRESSURES AND COMPLEXITIES OF THE MODERN BATTLEFIELD AGAINST THE ENEMY IN ORDER TO FIGHT AND WIN OUTNUMBERED, AND THEY MUST LEARN THESE LESSIONS BEFORE THE OUTBREAK OF HOSTILITIES IF THEY ARE TO WIN FROM THE OUTSET.

THE PROBLEM IN PROVIDING THE ARMY'S COMBAT ELEMENTS WITH REALISITIC TRAINING IS ONE OF RESOURCES.

BATTALIONS TRAINING AT HOME STATION CANNOT PIT THEMSELVES AGAINST OPPOSING FORCES (OPFOR) THAT PROVIDE REALISTIC REPRESENTATION OF THREAT TACTICS AND FORCE

RATIOS. ADDITIONALLY, THE COST OF PROVIDING INSTRUMENTATION FOR OBJECTIVE TRAINING FEEDBACK AT EACH AND EVERY DIVISION POST WOULD BE PROHIBITIVE. MOREOVER, THE ARMY HAS INCREASINGLY FELT CONSTRINED BY THE TRAINING LAND AVAILABLE AT OR NEAR HOME STATIONS. THEREFORE, THE DEGREE OF REALISM THAT CAN BE GENERATED FOR COMBINED ARMS TRAINING AT HOME STATION FALLS SIGNIFICANTLY SHORT OF ACTUAL COMBAT AND, UNIT PROFICIENCY, WHEN ASSESSED AGAINST THE REQUIREMENTS OF WARFARE IN THE 1980'S, SUFFERS ACCORDINGLY. THE SOLUTION TO THIS SITUATION IS TO ENHANCE TRAINING AT HOME STATION BY INCREASED USE OF SIMULATORS AND INTENSIVE MANAGEMENT OF AVAILABLE RESOURCES AND BY ACQUIRING NEEDED TRAINING LAND AT THOSE HOME STATIONS THAT HAVE A SIGNIFICANT TRAINING LAND SHORTFALL PLUS EXTENDING THE INTENSITY OF THE TRAINING EXPERIENCE AT THE NATIONAL TRAINING CENTER.

THE NTC WILL PROVIDE AN OPPORTUNITY FOR BATTALIONS TO CONDUCT REALISTIC LIVE FIRE AND ENGAGEMENT SIMULATION EXERCISES, SPACE TO REALISTICALLY EXERCISE WEAPONS SYSTEMS, ELECTRONIC WARFARE AND CLOSE AIR SUPPORT, AND A PLACE TO OBJECTIVELY ASSESS ORGANIZATIONS, DOCTRINE, WEAPONS, EQUIPMENT, AND TRAINING THROUGH INSTRUMENTATION.

THE TRAINING AT THE NATIONAL TRAINING CENTER WILL BE "POST-GRADUATE" LEVEL AND WILL INVOLVE A REALISTIC EUROPEAN-TYPE OF DEPLOYMENT, THE DRAWING OF PREPOSITIONED EQUIPMENT AND PERFORMANCE OF TACTICAL MISSIONS ANALOGOUS TO THOSE CHALLENGING A UNIT IN A BATTLEFIELD ENVIRONMENT. THE TRAINING TASKS SELECTED

WILL BE A FUNCTION OF THE UNITS WARTIME MISSIONS, AND WILL PROVIDE AN OPPORTUNITY TO CONDUCT INTENSIVE COMBAT OPERATIONS. TRAINING AT THE NATIONAL TRAINING CENTER WILL COMPLEMENT RATHER THAN REPLACE HOME STATION TRAINING.

FORT IRWIN, CALIFORNIA, WAS SELECTED AS THE SITE FOR THE NATIONAL TRAINING CENTER FOLLOWING A DETAILED ANALYSIS OF ALTERNATIVE SITES AND ENVIRONMENTAL AND SOCIO-ECONOMIC IMPACT DOCUMENTATION.

WHILE IT IS RECOGNIZED THAT FORT IRWIN, WHICH IS LOCATED IN THE HIGH MOJAVE DESERT, IS NOT ANALOGOUS TO EUROPE'S VEGETATION AND WEATHER, THE VARIED AND ROLLING TERRAIN DOES OFFER A REALISTIC BATTLEFIELD ENVIRONMENT.

THERE ARE SUFFICIENT DEFILES AND RUGGED TERRAIN TO PERMIT REALISTIC MANEUVERING OF HEAVY ARMOR AND MECHANIZED INFANTRY UNITS. MOREOVER, FORT IRWIN LIES LESS THAN 100 AIR MILES FROM NELLIS AFB, GEORGE AFB, NORTON AFB, AND 29 PALMS MARINE CORPS BASE THUS ENHANCING JOINT TRAINING OPPORTUNITIES AT THE CENTER.

IT SHOULD BE NOTED THAT FORT IRWIN WILL REMAIN AVAILABLE FOR NATIONAL GUARD AND ARMY RESERVE TRAINING. THE OPERATIONS OF THE NATIONAL TRAINING CENTER WILL NOT INHIBIT THAT TRAINING AND DUE TO THE INCREASED SUPPORT AVAILABLE, SHOULD ENHANCE THE TRAINING FOR THESE UNITS.

THE NATIONAL TRAINING CENTER WAS ACTIVATED AT FT. IRWIN ON 16 OCT 80. FT. IRWIN, WHICH IS CURRENTLY UNDER LICENSE TO THE CALIFORNIA ARMY NATIONAL GUARD, WILL BE REACTIVATED AS A FORSCOM INSTALLATION ON 1 JUL 81. TO PERMIT PROGRESSIVE SOLUTIONS TO START-UP PROBLEMS, TRAINING AT THE CENTER IS BEING PHASED-IN OVER THE NEXT THREE YEARS. SIX BATTALIONS WILL TRAIN AT THE CENTER IN

FY 81 which will be increased to the maximum capability of 42 battalions per year by FY 84. The duration of training will be approximately 14 days per battalion, two battalions at a time. Additionally, Ft. Irwin will be utilized by Reserve Componenet units for weekend and annual training.

Although training will focus on the battalion because that is the level that fights the land battle, battalions will be controlled by their brigade headquarters and supported by direct support (DS) units such as engineer, artillery, air defense, air cavalry, and logistic that will also receive intensive training in their wartime missions. Every CONUS based heavy battalion will rotate through the Center every 18 months. Every battalion commander will have at least one field training exercise and two command post exercises at the Center during his command. Future battalion commanders will be gaining exposure to simulated combat at the Center in their tours as company grade officers. Thus, at key points in a combat officer's course, he will receive valuable training experience provided by the intensive combat realism at the National Training Center.

Shown here are the projects scheduled for the National Training Center in FY 82. The dollar amounts shown here have now changed after the lower inflation factors have been applied to the FY 82 Budget. Construction in FY 82 now totals $53.8M which includes $10M to upgrade the single access road to Ft. Irwin under the Defense Acess Roads Program. The instrumentation procurement for the Center was set-aside by the Small Business Administration for a minority owned firm. The minority firm (AMEX, Inc.) and its subcontractors submitted a technically acceptable proposal, a fair cost was negotiated, and a contract was signed on 6 Jan 1981. Initial funding for the National Training Center has been approved in the FY 80 and FY 81 Authorizations and Appropriations Bills. Costs will increase in FY 82-85 as new construction is requested to fully establish the Center.

Construction programmed for subsequent years is as shown on this slide. (Pause)

The total investment cost associated with establishing the NTC at Ft. Irwin is approximately $300M.

In closing, I would like to emphasize that the establishment of the Army's National Training Center is not a "nice to have" frill, but an absoulutely critical step that must be taken to avoid needless casualties during an initial learing phase should a war develop. The combat resources so husbauded for the "first battle" could be the difference between victory and defeat.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing, but were submitted to the Department for responses subsequent to the hearing:]

Question: Please briefly describe to the Subcommittee the Army's request for $34.4 million for the FY 81 Supplemental.

Answer: The FY 81 Supplemental request contains, in part, four projects in Europe totaling $11 million. These projects are a barracks, tactical equipment shop, battalion headquarters and classroom and ammunition igloos, all at Vilseck Germany. They will provide facilities for a reconfigured field artillery unit to be stationed at Vilseck. This unit is part of a worldwide initiative to upgrade the artillery support provided by direct support field artillery from a capability of 18 guns to 24, with an attendant increase of 156 personnel.

The Supplemental budget request also includes $6 million for planning and design of Rapid Deployment Force staging facilities in the middle eastern region, and $28.5 million for final design of large MCA projects in the FY 83 program, concept design of larger FY 84 projects and update and development of standard plans for mobilization and regular MCA construction requirements. Savings of $11.1 million have been realized due to favorable bid openings on several FY 81 projects. These savings were used to offset the total amount of the supplemental request.

SUPPLEMENTAL

Question: With regard to the projects in the supplemental (deleted).
as it is presently proposed?

Answer: The projects proposed (deleted) in the FY 81 Supplemental request provide facilities for a portion of the Army-wide program to increase field artillery support to combat divisions. Under the program the number of artillery pieces in each artillery battalion is increased from 18 to 24 and the number of people by 156. The proposed projects (deleted). Regardless of the location, construction will be required to accommodate the increase in personnel and equipment.

General Budget

Question: Your budget request this year amounts to an increase of some $240 million over the FY 81 appropriation. Of this sizeable increase, what percentage is real growth and what percentage is inflation?

Answer: The $1,099,700,000 FY 82 Budget Request reflects and increase of $241,866,000 over the fiscal year 1981 Appropriation. Of this amount, only $155,714,000 can be attributed to real growth; the balance representing the total allowance for inflation in the FY 82 MCA request.

General Budget

Question: The Army has requested $62 million as a sort of financing adjustment to "catch-up" with inflation which has caused the deferral of a number of projects in the last few years. If you are appropriated this amount, will you be out-of-the hole, so to speak? If not, what other amounts are required?

Answer: The Army's request for "catch-up" funding has been revised to $59 million in the Amended Budget; the $3 million reduction reflects expected savings in construction cost resulting from less cost growth and enforcement of the Davis-Bacon Act. If the requested funds are appropriated, we will be able to build all of the projects which had to be deferred because of excessive cost growth in the last several years.

Question: Please give us an estimate of your backlog of valid requirements. Which areas have the most need? How are these requirements determined?

Answer: The current estimate of military construction requirements is $16.3 billion. The backlog consists of valid construction requirements programed in the Army's portion of the Five Year Defense Plan (FY 82-86) and unprogramed requirements, equally valid, which are beyond the FY 86 program, because of budget constraints and program execution limitations.

The following breakout of the military construction backlog by facility categories shows that continued effort is still needed in the maintenance and production, operations and training, and troop housing areas.

FACILITY CATEGORY	REQUIREMENT ($M)
Operations & Training	$ 2,597
Maintenance & Production	2,988
Research & Development	450
Supply	1,440
Medical	1,251
Administration	1,015
Troop Housing	2,212
Community	1,457
Utilities	1,855
Energy Conserve & Poll Abatement	999
Real Estate	63
Total	16,327

The Army is also concerned over the backlog in utilities systems. Many of these systems are difficult to inspect because they are in walls, under floors and in the ground. It is believed that the number of utilities systems needing replacement is much larger than the $1.855 billion reflected in the backlog.

Initial construction requirements are determined at each installation based on requirements for the assigned mission and condition of available facilities. These projects are then reviewed and prioritized by the major commands and submitted to the the Department of the Army each year. The programs and priorities of the MACOMs are compiled, integrated, and further prioritized from an overall Army viewpoint at DA. The results are published in the FYDP. Although the backlog is reviewed, prioritized and validated at each major level in the Army, a number of factors collectively determine the magnitude of the backlog each year including inflation, devaluation, new

missions, new construction standards, pollution abatement and energy conservation studies, OSHA standards, new weapons, restationing and force structure changes.

FY 81 Supplemental Request

Question: During the overview hearing, Chairman Laxalt asked the Office of the Secretary of Defense for some sort of a priority list for the request before us. While we all realize that your request has been reviewed many times within your own process, I believe that realistically we all know that the budget will again be reviewed -- as is our responsibility -- and that overall dollar amounts may increase or decrease. Therefore, can you tell the Subcommittee or submit for the record some sort of prioritization of your program?

Answer: The Army Program, as submitted, represents a complex, carefully considered, balanced set of requirements. It is designed to accommodate all the various initiatives planned or underway. The Army believes each project in the program is required, and cannot characterize any project or portion of the program as more important than another. We will continue to present all aspects of our program to the Congress and will continue to rely on its judgement, combined with its assessment of national priorities, to determine which projects will be funded.

Quality of Life

Question: As you are aware the subject of child care centers to be funded with appropriated funds was a rather emotional issue last year. The Army has requested the two facilities which were authorized but not funded, in FY 81. As I have said the issue has been whether these should be funded by appropriated or NAF. Please tell us the Army's position on this subject. How does this relate to our personnel problems?

Wouldn't the increased military pay which has passed and is proposed help with this situation?

Also how do you obtain NAF and how are they spent? Please provide for the record a table showing NAF earnings and expenditures (by Cat., if applicable) for the Army for the past 5 years.

Answer: The Army Child Support Services Program receives funding from both appropriated Funds (APF) and Nonappropriated Funds (NAF). It is current DOD policy that construction of child care facilities should be paid for by Appropriated Funds, while operational costs to be funded from primarily NAF. This in fact has been the Army position since the FY 80 budget request when it was determined that construction of adequate child care centers with the exclusive use of nonappropiated funds would be impossible without significant fee increases beyond the reach of our soldiers and result in a concomitant depletion of funds needed for other MWR activities. All Nonappropriated Funds (NAF) are derived primarily from income generated locally by installations through resale activities, users fees and charges and profits earned and distributed by the Army and Air Force Exchange Services. Morale Support Funds utilize these resources in support of their mission for operating expenses and capital expenditures. Total NAF earnings and expenditures for the Army's Military General Welfare and Recreation Programs, only a very small portion which is used for Child Care, are shown below:

FIVE YEAR NAF EARNINGS AND EXPENDITURES 1/
($ MILLION)

Operating Program	FY 81 (Budgeted)	FY 80 (Actual)	FY 79 (Actual)	FY 78 (Actual)	FY 77 (Actual)
Total Income 2/	183	175	143	108	89
Total Expenditures 2/	197	173	140	112	92
Capital Expenditure Program	(14)	(13)	(10)	(9)	(7)
MAJOR Construction Program 3/	(23)	(15)	(5)	(5)	(6)
OPNS/PER	(160)	(145)	(125)	(98)	(79)

While the total NAF dollars supporting these programs has increased substantially there continues to be a backlog of approximately $.5 billion in all facility requirements in this category.

The need for military child care centers is increasing dramatically and can be attributed to the changing composition of the Volunteer Army as well as economic factors affecting the American society at large. What was once an MWR amenity has become a necessary service to thousands of soldiers and military families and thus has significant implications for military readiness.

Within the past few years the demographics of Army personnel and their families has trended toward more married junior enlisted personnel, inservice couples, single parents and female soldiers. However, the heaviest users of child care services are married personnel with children. Soldiers share many of the economic and social pressures of members of society in general. Nationwide, 50% of all children between three and five years of age now have mothers in the workforce and by 1990 75% of all two parent families will have both parents working. The Army reflects this same trend toward working spouses. Furthermore, according to the Department of Labor, families earning less than $20,517 can pay no more than 5% of their income for child care while families earning below $12,585 cannot afford any child care expenses. Many junior soldiers fall in this

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1/ This data reflects Morale, Welfare and Recreation (MWR) Category III activities (Military Morale Support) which includes such diverse functions as unit funds, Libraries, Physical Activity Programs, Unit Activities, Child Care Centers, Dependent Youth Activities and bowling.

2/ NAF earnings and expenditures seldom equal in a given fiscal year because NAF Financial Management is not constrained or terminated by fiscal year to provide commanders maximum flexibility as well as to preclude excessive year end spending for marginal requirements which have not been programmed. However, Department of the Army does require Major Commands to budget/program NAF by fiscal year so that it can be synchronize with appropriated fund budget/programs for the maximum benefit to military personnel in our MWR programs.

3/ Department of the Army has a $1.5 billion backlog of MWR facilities. Based on DOD MWR construction policy, $1.0 Billion is appropriated funds while $500,000,000 is NAF construction. As shown in the table, the Army is emphasizing the need and programming for maximum expenditures in the NAF Major Construction program.

latter category and, thus, bear an added economic burden. There are other problems which are unique to, or compounded by, military service. Army children are exposed to continual "uprooting" and, as a result, to adverse circumstances. One way the Army can ease the economic plight of the soldier and redress Army children for the trauma of frequent moves and ever changing environments is to provide a consistently high quality of developmental child care throughout its own system at an affordable cost to the soldier. Because of their limited operating hours, higher fees, lack of accessibility and nonavailability in overseas and isolated areas, the Army cannot rely upon civilian child care services. Also, most service members usually cannot rely upon other family members (due to separation) to assist in providing child care while 50% of civilian working parents use this resource. For these reasons, availability of Army child care services is a real and proven need. Accordingly, while there is no doubt that increases in military pay assist military families in meeting child care needs, pay increases alone will not solve the problem and certainly can not defray the backlog of construction costs.

There is ample evidence that when parents have safe, reliable and consistent care for their children they will devote energies and commitment to their work with minimal interuption. Therefore, the Child Support Services Program (CSS) must be seen as equivalent to other support programs (medical, housing, training, dependents education) which affects both the quality and quantity of the military person's service. In short, there is a functional relationship which exists between increases in military compensation or its equivalent (e.g., provision of child care for dependents) and (1) the military retention rate of volunteers and (2) the quality of the soldiers military performance.

The Army CSS Program, which was established to relieve some of the economic pressures and improve quality of family life, is limited at present in its ability to meet the current and future demand for child care services. The program currently filled to capacity serves approximately 18,000 children daily in 281 CSS facilities worldwide, although actual usage figures from existing reports indicate 222,007 children received some type of child care services in FY 80. Unfortunately, most of the existing facilities serving this population were not designed as child care centers and are generally in poor condition and inadequate to meet increasing demand. For example, seventy-one percent of the buildings used do not meet fire safety fire codes for child care centers.

QUALITY OF LIFE

Question. You are requesting two major hospital projects in FY 82—one at Fort Carson, Colorado, and one at Frankfurt, Germany. Briefly describe these projects for the Subcommittee. How many personnel do each of these facilities serve, and are there other major military medical facilities nearby?

Answer. The Fort Carson Replacement Hospital will provide a new 195 bed community facility with outpatient clinic services. This project is much needed to replace an existing cantonment hospital built over 37 years ago. The existing hospital consists of 35 wood-frame one- and two-story buildings which cover 28 acres. Funds were appropriated in FY 81 to begin site work for this project.

The Frankfurt Hospital Renovation and Addition Project is to provide life safety improvements, functional and utility improvement and modernization to seven buildings in the existing facility. The addition portion of the project is to correct overcrowded conditions, providing space for intensive care units, the central materiel section and fire escape stairwells. The Frankfurt hospital MCA renovation will be executed in unison with a maintenance and repair (O&MA) effort in the hospital.

The Frankfurt hospital serves a population of 101,000 in the following categories:

Active Duty	48,000
Family Members	47,000
Other	6,000

Additionally, Frankfurt functions as a tertiary care facility in designated specialties for all of Europe and the Middle East.

The US Air Force Hospital, Weisbaden, is the closest major military medical facility to Frankfurt. It is 45 kilometers (45 minutes) between the two facilities. Weisbaden is a station hospital and provides considerably less diagnostic and treatment capability in a number of specialties than does Frankfurt.

Fort Carson hospital serves a population of 74,592 in the following categories:

Active Duty	19,492
Family Members	36,800
Others	18,300

Fitzsimons Army Medical Center is located in Denver, 75 miles north of Fort Carson.

The US Air Force Academy Hospital, Colorado Springs, is 35 minutes driving time from Fort Carson. The Academy hospital is an 84 bed facility and does not have the capability of taking on a significant workload increase from Fort Carson either in clinic or inpatient support.

QUALITY OF LIFE PROBLEM AREAS

Question. With regard to the Quality of Life, what is your biggest problem area?

Answer. Assuming approval of those Quality of Life (QOL) requests in the FY81 Supplemental and FY82 Budget, as well as a proper military pay adjustment on 1 October 1981, the biggest problem area is the adequacy of facilities in which soldiers live and work. This includes the sizable backlog of maintenance and repair, housing (both family and troop barracks), health care, and specific community support areas such as child care, and morale-welfare-recreation facilities. The Army, within resource constraints, cannot concentrate solely on a single program without impacting on other pressing human needs. More rapid progress must be accomplished in the future to provide adequate facilities to support the kind of Army the Nation requires. The Army attempts to balance programs to meet the priority needs of soldiers in their working and living environments.

QUESTION: Your request includes $4.4 Million for "Auto Self-Help Garages" at various locations in Germany. While the subcommittee is aware that Auto Repairs in Germany are expensive, it would seem that these projects should be funded out of non-appropriated funds as they should be rather self-sufficient by the charges made for the use of the facility. Also, I understand that in some locations the commanders have seen fit to open their maintenance areas at designated times for personnel to make use of the facility to work on their privately-owned vehicles. This seems like a practical solution to the problem. Would you care to comment on this request? ANSWER: Congress directed the Department of Defense to develop a consistant policy for funding the construction of Morale, Welfare, and Recreation facilities because the different Services were using different fund sources for similar type facilities. The DOD policy was published in February 1980 and established criteria that all services can meet. In that policy overseas, Auto Self-Help Garages were designated as facilities to be constructed with appropriated funds. These facilities are primarily used by married junior enlisted personnel who live some distance from their place of duty and German garages are currently posting labor charges of $31.00 per hour where parts are available. Because the soldier and spouse must both work to sustain family integrity it is not possible to charge fees and charges which would make these facilities self-sustaining. Experience in Germany indicates that current fees and charges must be at a level which off-sets operational costs by only 25% and fees/charges from other activities e.g. bowling alleys are used to make up the difference. To increase Auto Self-Help Garages fees would make the repair and maintenance of the six year old car (average) prohibitive to junior enlisted personnel and result would ultimately be the loss of family integrity, poor soldier performance and a detriment to our program to improve soldier readiness and retention. The repair of privately owned vehicles at official motor pool facilities is prohibited by Federal Governmnent Regulations because of the potential for fraud, waste, and abuse and the continuing need of these limited capacity facilities for direct combat and combat support vehicle maintenance and repair. It is understood that in some areas unit commanders did allow limited use of facilities,e.g. oil change using own oil. however the above factors render this practice an unacceptable alternative on a continuing basis.

OVERSEAS CONSTRUCTION

Question: What part of your FY 82 budget request is (deleted).

Answer: Two projects (deleted).

Overseas Construction

Question. Can you tell the Committee what plans you have if the (d) is not acceptable to the German Government?

Answer. The entire Army military construction program for Europe over the next 5 years has been developed based on the (deleted). If the Germans do not support the plan, then the entire MCA program for Europe will have to be reevaluated. Also the fielding of new systems to upgrade the war fighting abilities of our European based units will have to be reevaluated.

Question: Are all the projects requested for the Army in Germany considered for future use (deleted).

Answer: All projects in the FY 80 through FY 82 programs, (deleted).

OVERSEAS CONSTRUCTION

Question. Please give us a brief rundown on your Korea Program for FY 82. Are we finally getting to the point that we are going to be able to give our personnel in Korea minimally adequate facilities in which to live and work?

Answer. The FY 82 MCA Budget request for Korea is $62.3M. This is a continuation of the initiative begun with last years program to upgrade the grossly deteriorated physical plant inventory in Korea. The program can be divided into six facilities categories to obtain an overview of the program.

a. Bachelor Housing - Construction of billets at eight installations (38 billets for 1,780 personnel) using metal pre-engineered construction offering a sizable recoupment on the investment should there be a need for further relocation. The budget request is $22.2 million. These buildings will replace badly deteriorated obsolete quonset huts.

b. Utilities Upgrade - Replacement of existing or construction of new utilities systems (electric, sewage and water) at 15 installations. The budget request is $15.2 million. These systems will replace antiquated, inadequate, deteriorated systems servicing various installations.

c. Airfield Upgrade. The budget request is $10.1 million. These facilities upgrade projects will provide essential safety requirements and provide parking and maintenance facilities at two airfields.

d. Tactical Maintenance Shops - Construct a consolidated maintenance facility using metal pre-engineered construction. The budget request is $1.1 million. This project provides two maintenance buildings housing the shops for three separate units replacing grossly deteriorated facilities and a maintenance tent.

e. Community Facilities - The budget request is $6.5 million. The three projects involved provide a new recreation center and three gymnasiums at four installations.

f. POL Storage Facility - This project upgrades the POL port facility at Kunsan. The budget request is $7.3 million. The project includes construction of POL storage tanks and burying the existing supply line.

As now structured the Korea MCA Program will eliminate existing facilities deficiencies by provision of minimum essential facilities by FY 87. The total cost of that program through that time period is approximately $530 million.

Question. You briefly gave us a presentation on the National Training Center at Fort Irwin and on the request for land acquisition at Fort Carson, Colorado. Obviously, the need for training is vital to readiness, but aren't these facilities rather duplicative in purpose? What other training facilities of this type are available? Where are the units proposed to use Ft Carson now getting their training?

Answer. The National Training Center at Ft Irwin and the training land acquisition for Ft Carson are not duplicative in purpose. Ft Irwin will be used to provide advanced training in a combined arms training environment. Battalion-sized armor and mechanized units will be examined against an opposing force under controlled, simulated combat conditions which will include realistic electronic warfare jamming, fire and maneuver tactics, and joint Army-Air Force operations. Laser-based simulation technology will be used for scoring casualties.

There is no other installation or facility which provides the training capabilities of the National Training Center at Ft Irwin. With the large number of battalions to be rotated through the National Training

Center, the two week training period for any given unit will be once every 18 months. In order to participate and to achieve maximum benefit from this intensive 2 week period, each unit must arrive at the center with a sustained level of combat proficiency already acquired at their home stations. They must be proficient in the basic skills to participate effectively in advanced combat training. At Ft Carson, there is not sufficient maneuver training area available to accommodate basic required combat maneuver training. Therefore, additional maneuver training land is being requested to provide this capability.

Units of the 4th Infantry Division (Mechanized) are presently using Ft Carson for maneuver training. However, the training land resources at Ft Carson are inadequate and have contributed to a reduction in the combat proficiency and training readiness of the division.

SUBCOMMITTEE RECESS

Senator SASSER. I am going to have to make a motion here to go into excecutive session.

I move that the subcommittee go into executive session. I will second my own motion here, and without objection, we will go into executive session. I will ask the staff here to clear the room, please, of unauthorized personnel.

[Whereupon, at 10:32 a.m., Tuesday, March 24, the subcommittee was recessed to reconvene in executive session.]

[Executive Session]

TUESDAY, MARCH 24, 1981

The subcommittee met, at 10:39 a.m., in room 1224, Russell Senate Office Building, Hon. James R. Sasser, presiding.

DEPARTMENT OF THE ARMY

CHIEF OF ENGINEERS

STATEMENT OF BRIG. GEN. NORMAN G. DELBRIDGE, JR., ASSISTANT CHIEF OF ENGINEERS, OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

ACCOMPANIED BY:

ALLEN M. CARTON, CHIEF, PROGRAMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS

LT. COL. EDWARD M. JENSEN, PROGRAMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

BUDGET REQUEST FOR MRP

Senator **SASSER**. We are ready to begin. You may proceed.

General **DELBRIDGE**. Mr. Chairman, in my overview statement, I requested $18 million to initiate the first construction which would implement the master restationing plan. My comments were necessarily brief in view of the sensitive discussions which are underway here in Washington at this very moment between the Defense and State Departments and Minister of Defense in Germany.

Accordingly, in response to your request, let me, in this closed session, discuss MRP in some greater detail. The overall classification of this briefing is secret.

The master restationing plan was prepared by USAREUR in response to the Warsaw Pact buildup begun in the early 1970's and which continues today. This buildup has resulted in a reduction in the time available to our soldiers to respond to an impending attack and fight a numerically superior, modernized force, and win.

Our needs simply stated are to position our forces to rapidly respond to a Warsaw Pact attack and at the same time, as our forces are moved from old and deteriorating facilities, provide adequate facilities and address our force modernization needs.

DISPOSITIONS IN GERMANY

Our current dispositions in Germany look like this. I recognize that this is somewhat difficult, and I will refer out some of the things that Colonel Riordan will point to. In essence, our forces are situated not far from where we stopped at the end of World War II.

Since our defensive doctrine during the 1950's and 1960's was based on a delay to the Rhine, the current stationing of units outside this wartime sector was not a major concern.

In the midseventies, however, we changed our defensive doctrine based on the increased Warsaw Pact threat mentioned above because of the emergence of a strong, prosperous, and independent Germany which has assumed a greater voice in NATO and desires that any conflicts be continued near its eastern border.

As a result of these factors, Supreme Allied Commander, Europe, SACEUR, issued new planning guidance based on extensive studies done over several years which assume that NATO may have only a short warning time prior to a Warsaw Pact attack. As a result of this new warning time, the general defense plans were revised and our unit defensive positions were relocated forward. Now, this caused our units to become severely maldeployed in relation to these new wartime locations.

For example, and Colonel Riordan will point this out, units of the 8th Infantry Division are stationed an [deleted].

[Deleted].

The 3d Infantry Division which defends [deleted].

REPLACEMENT OF DETERIORATING FACILITIES

The additional benefit of replacing our old and deteriorating facilities cannot be overemphasized. The present stationing of USAREUR units is basically a product of the immediate U.S. occupancy of German Armed Forces installations following World War II. These installations are small by U.S. standards, scattered and most of them were built prior to World War II.

Many of the facilities originally occupied are still being used by our forces today. Most are not adequate to house and maintain a modern heavily mechanized volunteer army. Replacement and modernization as well as maintenance and repair facilities have been underfunded, particularly during and after the Vietnam conflict. Consequently, there is a large construction requirement to replace 40-year-old inadequate and obsolete facilities.

MODERNIZATION OF FORCES

And finally, over the years, initiatives to modernize our forces have filled available facilities to the brim so that present and future initiatives will require construction if they are to be fully implemented. Significant force modernization improvements are scheduled for Europe over the next 5 years. Initiatives designed to counter the increasing Warsaw Pact threat include the systems which I covered in the overview.

The contrast between our current disposition and condition of our facilities is rather dramatically portrayed here. The slide on the left is that of a German tank park compared with that of a U.S. mechanized unit on the right. Another U.S. armored unit is shown on the right. On the left is a Warsaw Pact facility in East Germany located close to the border with West Germany.

The master restationing plan addressed these needs by providing the framework to plan for the appropriate stationing of forces in modernized facilities. It has been used by the Army as its master plan for construction in Europe since 1978. All construction since the 1980 program has been compatible with MRP. Notice that I said compatible, sir. The $18 million in this year's program is the first request specifically for MRP.

FUNDING FOR MRP

Last year, Congress expressed its concern as to the source of funding for MRP in its MILCON appropriation conference report of September 29, 1980. In response to that concern the Department of Defense in coordination with the State Department has initiated a series of high level discussions with the German Government. On November 4, 1980, the American Ambassador to Germany presented a demarche covering eight U.S. forces issues to a German Ministry of Defense. One of the highest priorities was a request for support of the MRP.

Discussions between Secretary of Defense Weinberger, State Department representatives, and Mr. Appel, the German Minister of Defense, are being conducted here in Washington today. We look forward to the results of these discussions. However, we expect that negotiations on this matter will be difficult and perhaps lengthy.

The Army's large and complex 5-year construction program in Europe has been developed using the MRP. We are fast approaching a decision point on that program. We must either station this new construction at MRP locations or at our current installations. In this regard, we are requesting $18 million to initiate the plan and demonstrate the U.S. commitment to the concept.

The implementation of the plan is in two phases. The initial phase involves construction of brigade sized installations on U.S. controlled real estate in the cantonment areas of Vilsck and Wildflecken. This results in [deleted].

Principal among these is the restationing of the 8th ID [deleted]. Simultaneously, phase one implementation provides for the smooth introduction of modernization initiatives and reduces the number of inadequate facilities used by our soldiers.

The next phase, that of sustainment, will meet the ultimate objective of the plan to consolidate units in modern brigade sized installations, located close to their general defensive positions thereby achieving economies in base operations, increased efficiencies in command and control and improved readiness.

READINESS CONCEPT

The readiness concept envisions restationing to be accomplised on real estate and in facilities provided by the German Government in exchange for high value urban real estate now controlled by us.

In summary, we are endeavoring to comply with congressional guidance on this matter, and we ask your support for fiscal year 1982 funding of $18 million to initiate the construction at Vilseck on the model of these facilities which have been jointly funded by the United States and Germany for our soldiers in Garlstadt.

Mr. Chairman, that completes my presentation. I will be pleased to answer any questions that you may have on this program or on the overview statement.

Senator **Sasser**. Thank you, General.

FACILITIES CONSTRUCTION ON U.S.-OWNED FOREIGN LAND

Let me take you back to the master restationing plan. I am not sure that I understood that. You were saying that we are exchanging valuable pieces of real estate that the United States presently controls for what now?

General **Delbridge**. Sir, the plan is expected to work from the point of view that with initial seed money, we would build facilities on U.S. controlled real estate.

Senator **Sasser**. By U.S. control, you mean that we own that land?

General **Delbridge**. Yes, sir, we do.

Those are presently U.S. cantonment areas in Germany under the status of forces agreement. Once we move, we will end up vacating some facilities. The idea is that as those facilities are vacated in other of the urban areas, and this is generally quite valuable real estate at this stage of time, new locations are forward and very low population, low density areas.

These facilities that were vacated would then be sold, the real estate and the cost of that are accrued from this sale would go back into the German and U.S. replenishment fund, if you will, for the master restationing plan, to repay the cost of those facilities and also to finance further facilities. We anticipate this then as a kind of revolving fund, if you will, that would help defray the cost, perhaps not quid pro quo, but reasonably close.

I mentioned in my statement that it would be on the model of Garlstadt. This is conceptual, Mr. Chairman, because with the negotiations that are going on right now, we are not quite sure what will come out of them, but we anticipate that this would be the most readily acceptable perhaps to both sides.

Senator **Sasser**. What is the model at Garlstadt?

General **Delbridge**. Sir, the model at Gralstadt was that in exchange for [deleted] the Germans provided all the facilities, the real estate, that was tied in with the operational and the living conditions for our soldiers; maintenace facilities and the barracks.

That pictures was shown—those were the barracks that were provided by the Germans at Gralstadt, and that is an overview showing the maintenance facilities, and the barracks in the background. Now, when I say model, the United States did have a portion of this as well, and we provided those facilities that contributed to the quality of life of the soldiers; the club; the community facilities, et cetera, and that was the U.S. contribution. The major portion, however, was provided by the Republic of Germany.

GERMAN ACCEPTANCE OF MRP

Senator **Sasser**. General, one question that comes to mind is what happens if the master restationing plan is not acceptable to the German Governments? What would be your plan then?

General **Delbridge**. Sir, the problem with that would be that we have no alternative but in our future construction programs essentially to construct the facilities that support our forces at existing locations. We feel that the malpositioning would continue, but we are at that point where we can not live under these conditions any longer, and or future construction depends on either rebuilding in the old location or moving to a new location.

Senator **Sasser**. General, there are other questions that we will wish to ask for the record. I am told that I am going to have to get going here.

General **Delbridge**. I understand, sir.

Senator **Sasser**. I do appreciate your testimony this morning. It was frankly very illuminating, and it was very ably delivered. General, we will make your statements on the Fort Carson land acquisition and the National Training Center at Fort Irwin a part of the record.

General **Delbridge**. Yes, Mr. Chairman.

SUBCOMMITTEE RECESS

Senator **Sasser**. The subcommittee will stand in recess until Thursday, April 2 at 10 a.m. when we will hear testimony from the Navy and the Marine Corps on their military construction request for fiscal year 1982.

[Whereupon, at 10:52 a.m., Tuesday, March 24, the subcommittee was recessed to reconvene April 2]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1982

THURSDAY, MAY 7, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:10 a.m., in room S-126, the Capitol, Hon. Jim Sasser presiding.

Present: Senators Sasser and Mattingly.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

STATEMENT OF BRIG. GEN. CLIFTON D. WRIGHT, DEPUTY DIRECTOR OF ENGINEERING AND SERVICES

ACCOMPANIED BY:

BRIG. GEN. JAMES P. McCARTHY, SPECIAL ASSISTANT FOR MX MATTERS

BRIG. GEN. DONALD B. WAGNER, DIRECTOR OF HEALTH CARE SUPPORT, OFFICE OF AIR FORCE SURGEON GENERAL

COL. JOSEPH AHEARN, DIRECTORATE OF ENGINEERING SERVICES

COL. DEAN HESS, DIRECTORATE OF OPERATIONS AND READINESS

LT. COL. WILLIAM SMITH, DIRECTORATE OF LOGISTICS PLANS AND PROGRAMS

LT. COL. RAY GREENE, DIRECTORATE OF PERSONNEL PROGRAMS

MAJ. FRANCIS CIRILLO, DIRECTORATE OF ENGINEERING AND SERVICES

LT. COL. TOM BOZARTH, DIRECTORATE OF ENGINEERING AND SERVICES

MAJ. ROBERT COURTER, DIRECTORATE OF ENGINEERING AND SERVICES

MAJ. JERRY ROBINSON, DIRECTORATE OF ENGINEERING AND SERVICES

MAJ. DON GRAYBILL, DIRECTORATE OF ENGINEERING AND SERVICES

MAJ. VICTOR BRAS, SPECIAL ASSISTANT FOR MX MATTERS

RALPH WANLASS, DIRECTORATE OF ENGINEERING AND SERVICES

HOWARD TEICHER, OSD/INTERNATIONAL SECURITY AFFAIRS

LT. COL. JAMES JACOBY, DIRECTORATE OF SPACE SYSTEMS AND COMMAND, CONTROL AND COMMUNICATIONS

PAT COPLE

AIR FORCE CONSTRUCTION PROGRAM

Senator SASSER. The subcommittee will come to order.

Today we will receive testimony in support of the Air Force military construction program for fiscal year 1982.

The request for the Air Force program is approximately $2.2 billion. This represents a sizable increase over last year's request and funded program. The subcommittee is aware that nearly a half billion dollars of the request is for MX-related functions, either construction or planning and design.

Because of the size of the MX request and the continuing controversy and uncertainty relating to the MX missile system, the subcommittee will have indepth hearings on this subject later this month. We will also be holding hearings at a later date with regard to the NATO and European construction program and construction support for the Rapid Deployment Force. The Air Force portion of the military construction needs for these areas will be reviewed at that time.

Our primary witness today is Brig. Gen. Clifton D. Wright, Deputy Director of Engineering and Services, Headquarters, Department of the Air Force.

General Wright, I want to welcome you this morning on behalf of myself and our chairman, Senator Laxalt, and say that the subcommittee looks forward to working with you on fiscal year 1982 and future requests.

General, I understand you have a prepared statement this morning and a presentation to give the subcommittee. Please proceed as you wish, and I will say that your complete statement, if you wish to summarize your prepared statement, will be made a part of the record following your presentation.

BUDGET REQUEST

General WRIGHT. Thank you, Mr. Chairman.

I will do that with your permission and I have a few viewgraphs that I would like to show you along the way as we proceed.

It is a pleasure this morning to appear before this committee with our fiscal year 1982 program. I have brought with me some of the more knowledgeable people on the air staff who can talk to any questions that you may have.

This year's program consists, as you say, sir, of a total of about $2.2 billion. It builds on programs we have presented in the past and it also includes the start of new programs some of which will continue in the future.

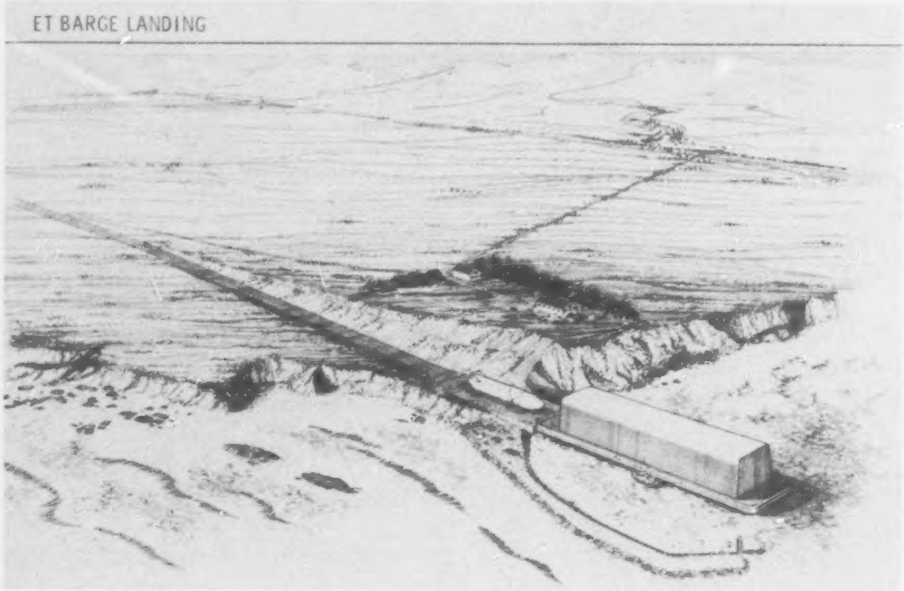
This is the fourth year we are requesting funds in support of the National Space Transportation System for the Shuttle. Over the past 3 years this committee has appropriated $286.7 million for Shuttle-related projects and approved the reprograming of $77.4 million to cover launch complex overruns at Vandenberg Air Force Base. Thus, the total funding approved by this committee is about $364 million.

Our $38.2 million appropriation request for the Shuttle this year includes $19.9 million for industrial, mission planning, and support facilities at Vandenberg AFB, Calif.; $18 million for solid rocket booster retrieval and disassembly facilities at Port Hueneme, Calif;

And $300,000 for physical protection of classified data used in DOD missions at the Goddard Space Center in Maryland.

The program is directed toward an initial operational capability date at Vandenberg in August of 1984. We will request facilities to implement thrust augmentation and increase the launch rate at Vandenberg to a maximum of 20 a year in future year programs.

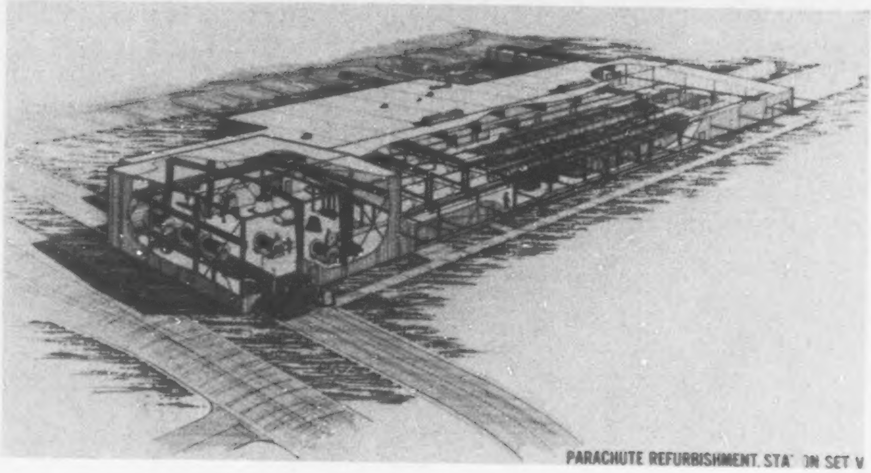
I have several slides, Mr. Chairman, showing the major facilities we are requesting in the 1982 program this year.



SLIDE 1

CONSTRUCTION WORK AT VANDENBERG

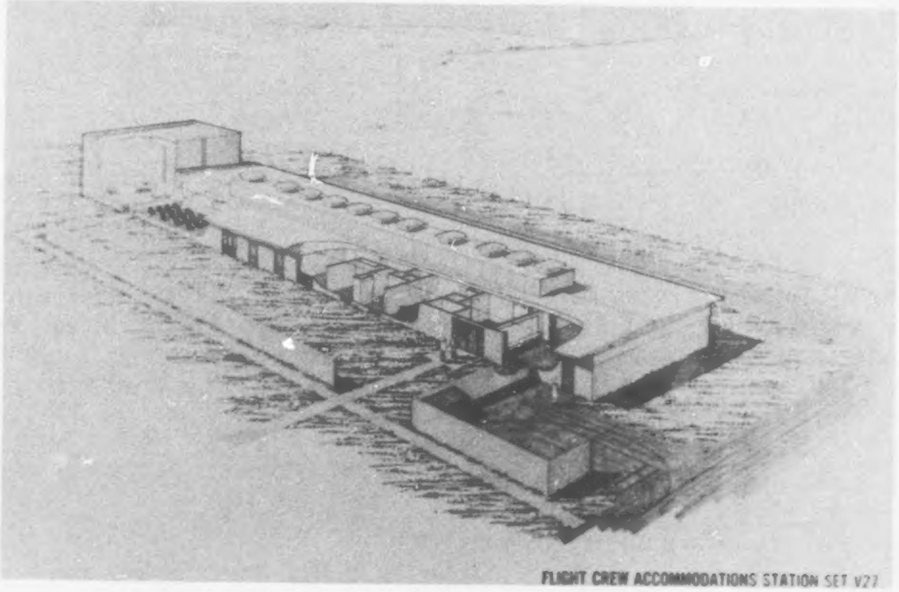
The first is for work to dredge a cove and construct a dock and tow route at Vandenberg. This is required to receive the large external tank that comes by barge from the manufacturer in Louisiana. The tank is then towed to the launch facility at Vandenberg.


PARACHUTE REFURBISHMENT. STATION SET V

SLIDE 2

PARACHUTE REFURBISHMENT SHOP

The second slide shows a cutaway of the parachute refurbishment shop. This is where the chutes that bring down the reusable solid rocket boosters are taken and made ready for another launch.


FLIGHT CREW ACCOMMODATIONS STATION SET V27

SLIDE 3

FLIGHT CREW ACCOMMODATION

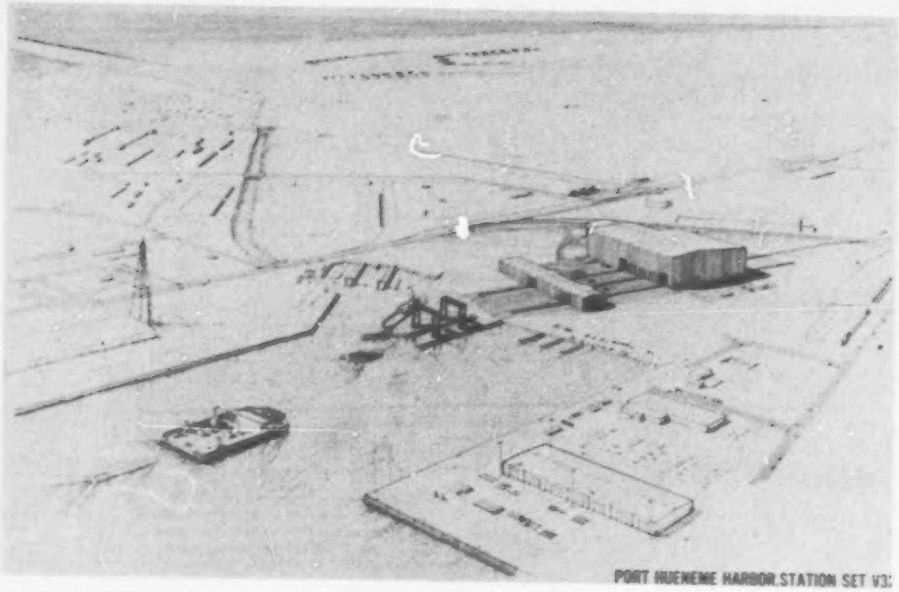
The third slide shows the buildings that we will modify for flight crew quarters and life-support equipment storage.

SLIDE 4

SLIDE 5

PROGRAM MANAGEMENT AT VANDENBERG

The next two slides, Mr. Chairman, show the integrated operations support center and systems management and engineering facility that are required to manage the program at Vandenberg to accomplish such things as mission planning and to manage activities on the Western Test Range.


PORT HUENEME HARBOR STATION SET V3:

SLIDE 6

PORT HUENEME FACILITIES

The last slide illustrates the facilities at Port Hueneme for unloading and disassembling the solid rocket boosters that are parachuted down into the ocean after launch.

At Port Hueneme the boosters are disassembled and the engines are returned to Vandenberg while the fuel cells are returned to the manufacturer for repackaging.

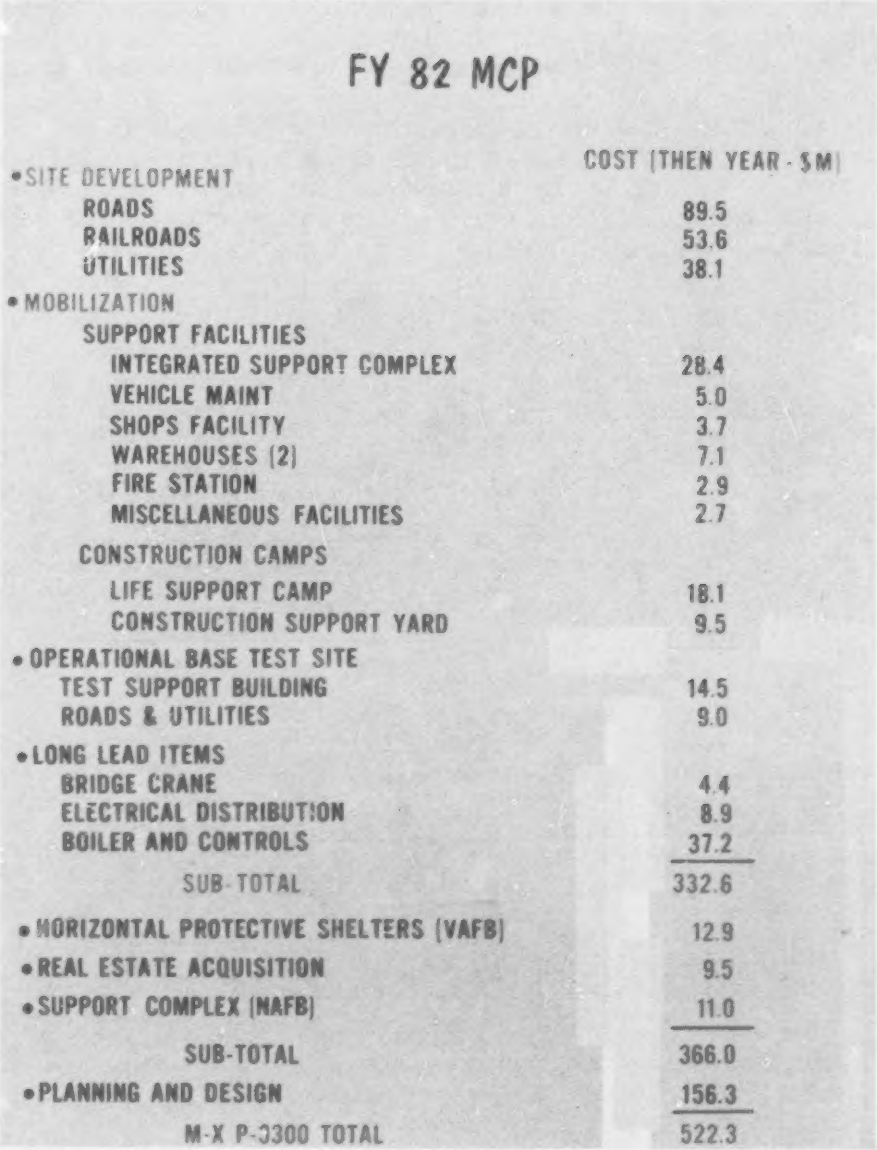
Sir, as you mentioned, we are well aware that the MX hearing will get into much greater detail later, but I would like to cover just briefly some of the MX material with you.

In fiscal year 1980 the Congress approved $57 million to construct test facilities at Vandenberg and $5.4 million was approved for alteration of engine test cells at Arnold Engineering Development Center in Tennessee to altitude test motors·for the missile. Construction is well underway on both of these items.

An fiscal year 1981 authorization of $17 million was authorized for further test facilities at Vandenberg.

This year, sir, we are requesting $366 million for support facility construction and $156.3 million for design. This submission is keyed to a basing decision this summer.

Sir, I would like to show you just a couple of quick slides to give you an overview of what we are talking about in the 1982 military construction program for MX.



FY 82 MCP

	COST (THEN YEAR - $M)
• SITE DEVELOPMENT	
ROADS	89.5
RAILROADS	53.6
UTILITIES	38.1
• MOBILIZATION	
SUPPORT FACILITIES	
INTEGRATED SUPPORT COMPLEX	28.4
VEHICLE MAINT	5.0
SHOPS FACILITY	3.7
WAREHOUSES (2)	7.1
FIRE STATION	2.9
MISCELLANEOUS FACILITIES	2.7
CONSTRUCTION CAMPS	
LIFE SUPPORT CAMP	18.1
CONSTRUCTION SUPPORT YARD	9.5
• OPERATIONAL BASE TEST SITE	
TEST SUPPORT BUILDING	14.5
ROADS & UTILITIES	9.0
• LONG LEAD ITEMS	
BRIDGE CRANE	4.4
ELECTRICAL DISTRIBUTION	8.9
BOILER AND CONTROLS	37.2
SUB-TOTAL	332.6
• HORIZONTAL PROTECTIVE SHELTERS (VAFB)	12.9
• REAL ESTATE ACQUISITION	9.5
• SUPPORT COMPLEX (NAFB)	11.0
SUB-TOTAL	366.0
• PLANNING AND DESIGN	156.3
M-X P-3300 TOTAL	522.3

SLIDE 7

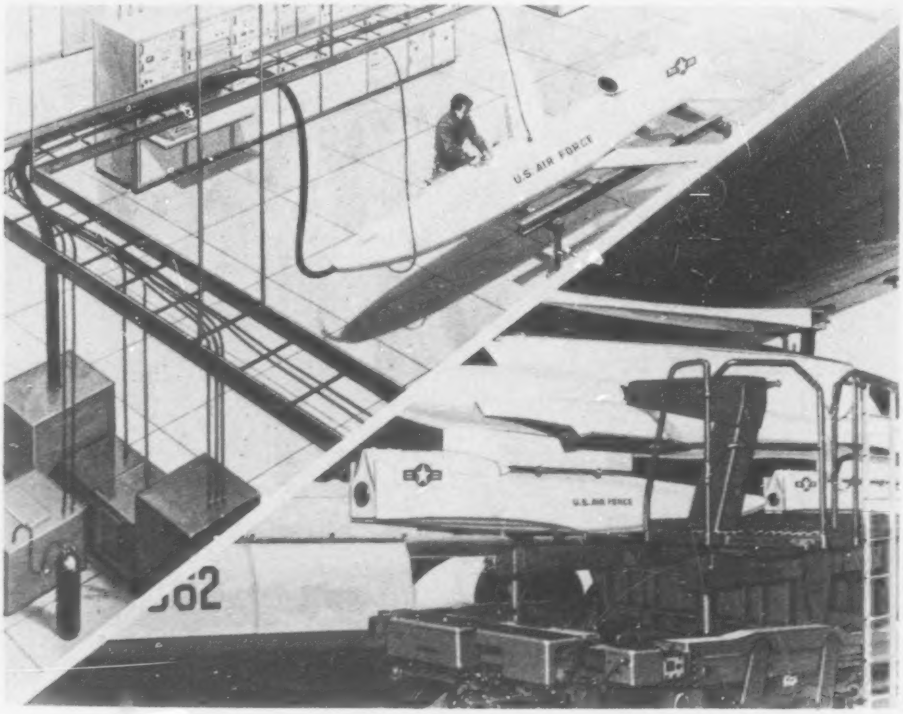
SITE DEVELOPMENT FACILITIES

These are primarily site-development facilities to mobilize the construction work force and the site-activation group that will be going to the field to execute the construction program.

You can see, sir, the bottom line in red is $366 million for construction and $156.3 for planning and design.

I would like to point out, Mr. Chairman, that the item for a support complex at Norton for $11 million is a required facility where we will house the management activities for execution of the design and construction program. The Air Force engineers and the U.S. Army Corps of Engineers will be responsible for building the system for us.

Mr. Chairman, this year we are asking for $102 million for projects at four locations to accommodate the air-launched cruise missile system. Most of the work is for data automation and maintenance and storage facilities. Some is new construction and some is alteration of existing facilities.



SLIDE 8

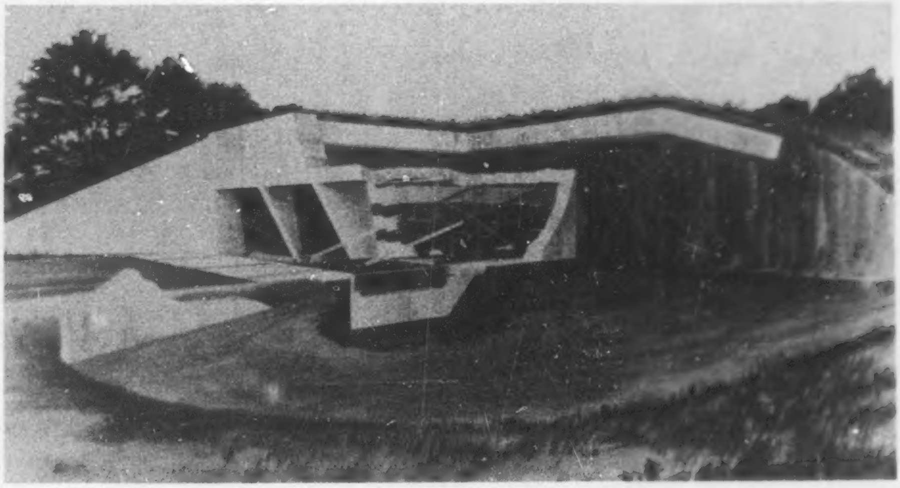
AIR-LAUNCHED CRUISE MISSILE

This slide just shows a picture of the air-launched cruise missile that will be coming into the Air Force inventory.

The facilities we are asking for this year are at Ellsworth AFB, S. Dak., Blytheville AFB, Ark., Carswell Air Force Base in Texas and Fairchild AFB, Wash.

I would like now, sir, to look at our overseas requirements and will address readiness in Europe.

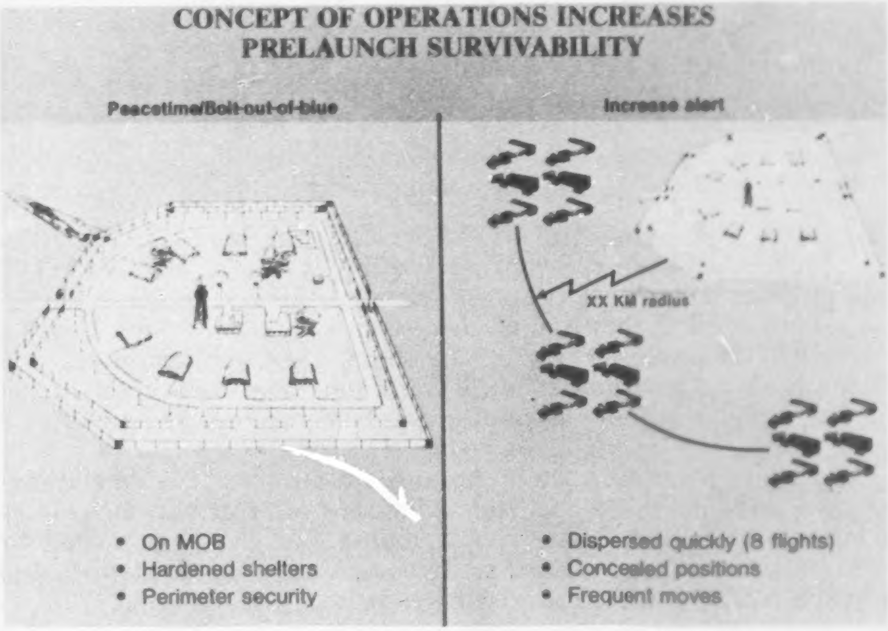
The first item is for projects to support the ground-launched cruise missile (GLCM) system. Last year in the fiscal year 1981 program the Congress approved $19 million to prefinance operational facilities in England.



SLIDE 9

GLCM SHELTER

This slide portrays a typical NATO-approved ground-launched cruise missile operational shelter.



CONCEPT OF OPERATIONS INCREASES PRELAUNCH SURVIVABILITY

Peacetime/Bolt-out-of-blue

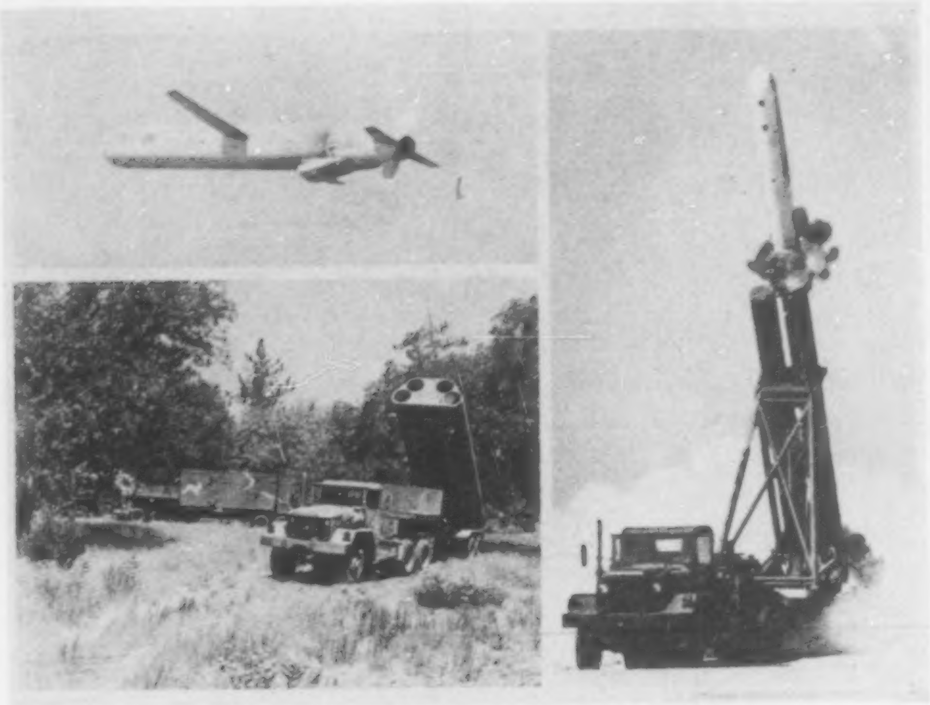
- On MOB
- Hardened shelters
- Perimeter security

Increase alert

- Dispersed quickly (8 flights)
- Concealed positions
- Frequent moves

SLIDE 10

The next slide shows a typical squadron that consists of eight flights. If struck without warning the launchers and control center vehicles will be in hardened shelters to ride out the attack. If advanced warning is received the flights will disperse as shown on the right.



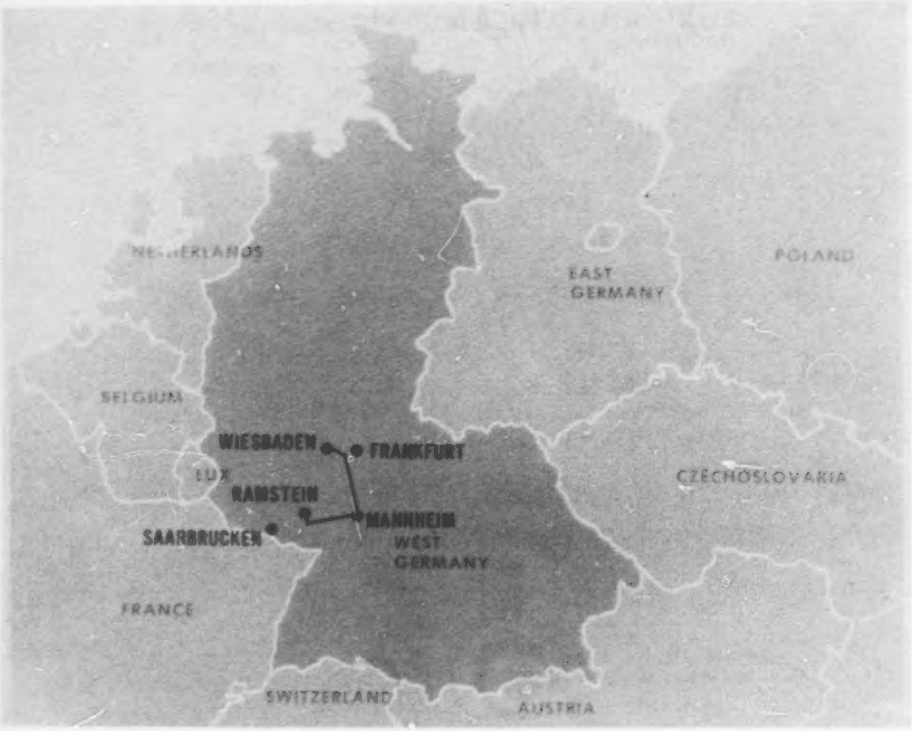
SLIDE 11

DISPERSED MODE GLCM

The next slide shows the GLCM in a dispersed mode. This year, Mr. Chairman, we are presenting the first phase of non-NATO-eligible projects supporting people to operate the system. Our request this year is for $69.1 million at two locations.

At RAF Greenham Common in the United Kingdom we need $12.6 million to upgrade existing buildings. The remainder of this line item, $56.5 million, is requested at the second bed-down location in Italy.

The site, at a location yet to be announced, can provide the land only but does not have facilities available for renovation. Our request is only for the basic requirements that will be needed for base operating support functions. Operational facilities are included in the NATO infrastructure program.


NETHERLANDS
EAST GERMANY
POLAND
BELGIUM
WIESBADEN
FRANKFURT
LUX
RAMSTEIN
CZECHOSLOVAKIA
MANNHEIM
SAARBRUCKEN
WEST GERMANY
FRANCE
SWITZERLAND
AUSTRIA

SLIDE 12

PHOTOINTELLIGENCE FUNCTIONS

Another of our high-priority projects in Europe is the consolidation of our photointelligence functions into one composite facility at Ramstein Air Base in Germany. The operation is now located in a vulnerable old kaserne at Schierstein, a little town near Weisbaden, Germany. It is about 60 miles away, as you can see from this slide, from Ramstein. The red route from Weisbaden to Manheim to Ramstein is the principal autobahn route, but there are shortcuts through the countryside.

I show that to demonstrate, Mr. Chairman, that the material that is required for the U.S. Air Force commander in Europe must be transported from Ramstein to the Weisbaden area where it is processed and then has to be returned overroad to the command facilities at Ramstein. In peacetime this is bad enough, but we feel as though in a wartime situation this would be virtually impossible. This is a very important project to us, Mr. Chairman.

Our program also includes an increment of projects for minimum essential facilities to support operations at collocated operating bases in Europe, projects for chemical warfare protection, for squadron operations buildings and avionics shops, and work on hardened key logistics facilities.

The collocated operating base program, initiated in the early seventies, provides for the Air Force a series of strategically located airbases for a relatively small dollar investment.

IDENTIFIED COLLOCATED OPERATING BASES

SLIDE 13

This slide shows the general location of collocated operating bases. This is an unclassified version, Mr. Chairman, but you can get an idea from the red dots the pattern of our collocated operating base structure in the European Theater. There are 73 bases in all.

It will take many years and millions of dollars to provide all required facilities at the collocated operating bases. The pressing need for operating locations for augmentation aircraft led to a decision several years ago to concentrate on obtaining minimum essential facilities at these bases on a priority basis.

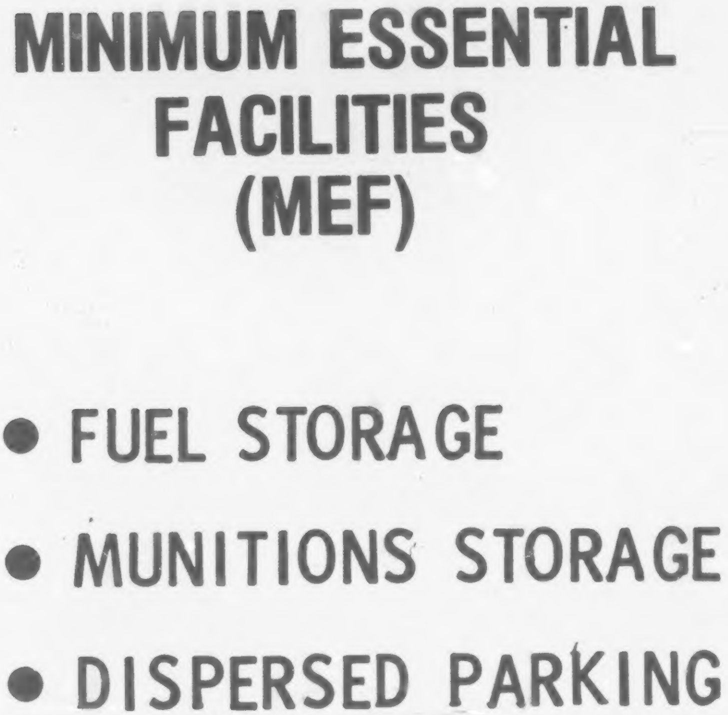
MEF FUNDING

	US MCP	NATO INFRASTRUCTURE
1976		5.9
1977		23.4
1978	25.0	8.2
1979		5.2
1980	3.6	20.4
1981		40.2
TOTAL	$28.6M	$103.3M

Slide 14

MILCON PROGRAM DOLLARS

This slide shown the comparison of our U.S. military construction program dollars versus NATO infrastructure funding to date for the collocated operating base programs. We have received good support from the NATO infrastructure program but, because of other pressing priority requirements, this NATO program is going to dry up until the mid-1980's. To keep this program moving we need your support on the minimum essential facility portion of the program.



MINIMUM ESSENTIAL
FACILITIES
(MEF)

- FUEL STORAGE
- MUNITIONS STORAGE
- DISPERSED PARKING

SLIDE 15

BASE OPERATING FACILITIES

This slide shows you what we consider to be minimum essential operating facilities at the bases, the collocated operating bases. This gives us 7 days' storage for fuel and munitions and pavements for dispersed parking of our tactical aircraft.

Let me turn, sir, to the Pacific, if I may, and cover our program in that area. This year the program covers $31.4 million for new construction and improvement of facilities of the existing operational and logistics facilities.

The Government of Japan, through its cost-sharing program, has committed over $100 million over the past 2 years to provide housing and personnel support facilities.

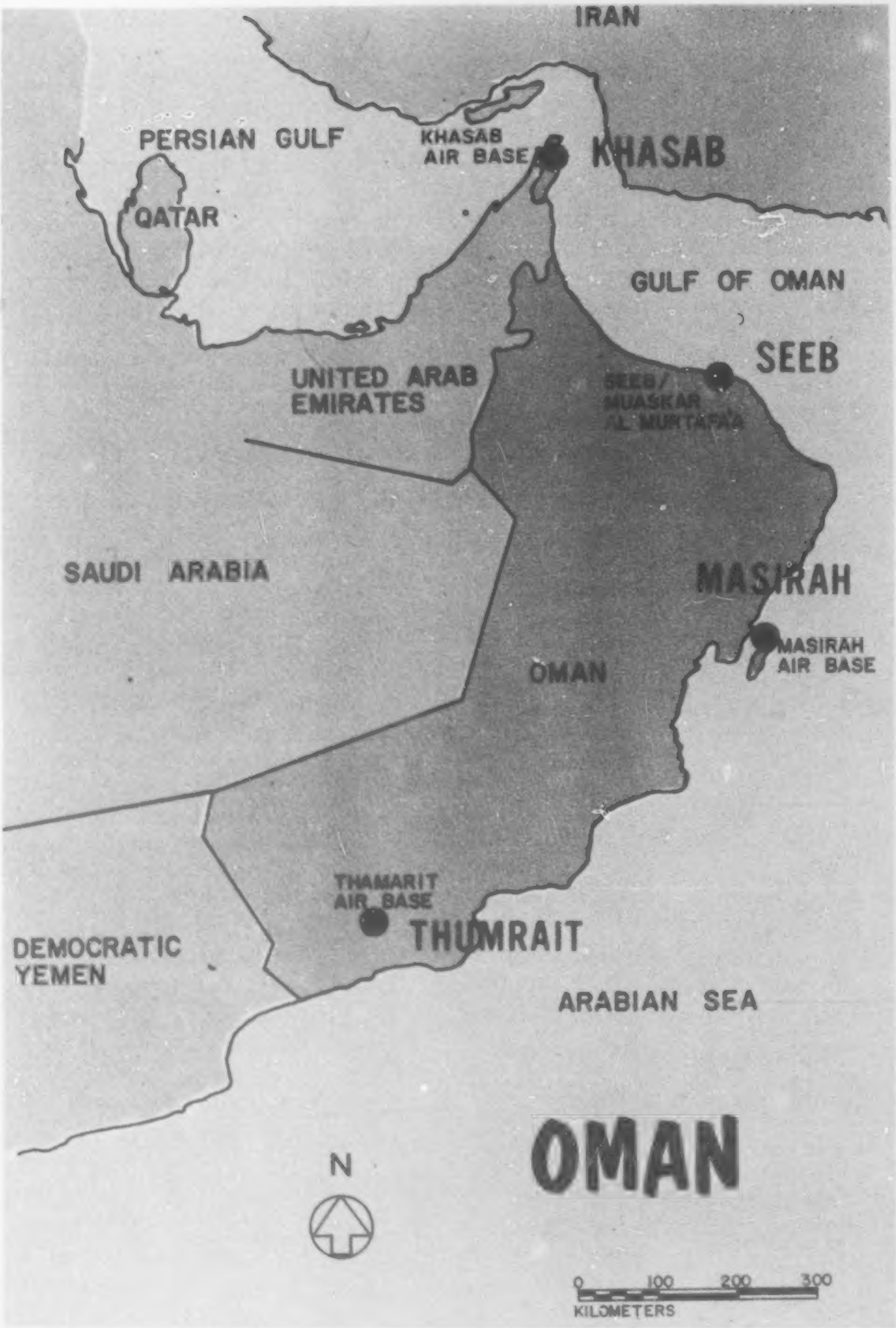
In Korea the Government has agreed to fund a 7-year contingency program which we estimate will cost nearly $200 million. In addition, the Koreans are committed to fund essentially all of the facilities at an estimated cost of some $75 million to bed down a U.S. Air Force A-10 squadron at Suwon Air Base in the Republic of Korea.

We are encouraged with the willingness of our Asian allies to share the burden of construction costs and will continue to seek their cooperation in the future.

Let me address briefly the Rapid Deployment Joint Task Force construction requirements for the Air Force. Our program is a first step in improving our ability to respond in a time of crisis and to provide an improved deterrent to Soviet military actions in Southwest Asia.

Deployment of a force to Southwest Asia requires en route staging and employment facilities. This year's program substantially upgrades the en route facilities at Lajes and Diego Garcia to support airlift flow that will be required to deploy and support the Rapid Deployment Joint Task Force.

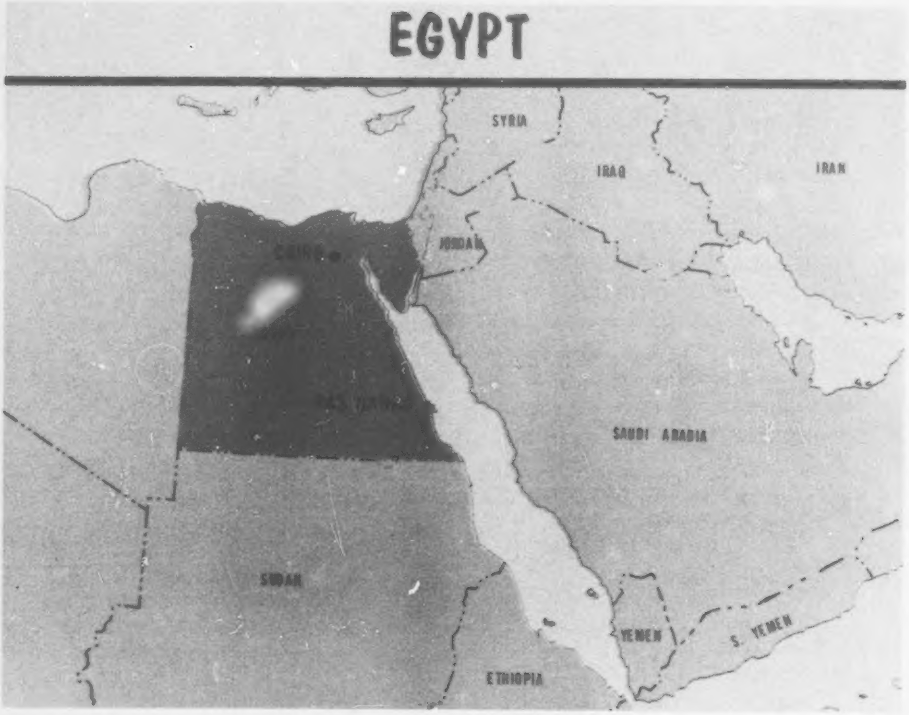
Oman and Egypt are two countries in Southwest Asia that have given us access to date. We envision building staging facilities in these countries from which forces can rapidly be moved to forward operating locations. We are requesting $322 million this year, $78.5 in Oman.


IRAN
PERSIAN GULF
KHASAB AIR BASE
KHASAB
QATAR
GULF OF OMAN
SEEB
SEEB/ MUASKAR AL MURTAFAA
UNITED ARAB EMIRATES
SAUDI ARABIA
MASIRAH
MASIRAH AIR BASE
OMAN
THAMARIT AIR BASE
THUMRAIT
DEMOCRATIC YEMEN
ARABIAN SEA
OMAN
N
0 100 200 300
KILOMETERS

SLIDE 16

OMAN FACILITIES

The $78.5, Mr. Chairman, is at three locations, Seeb International Airport at Muscat, Misarah Island midway down and at Thumrait Air Base at the lower part of the slide.



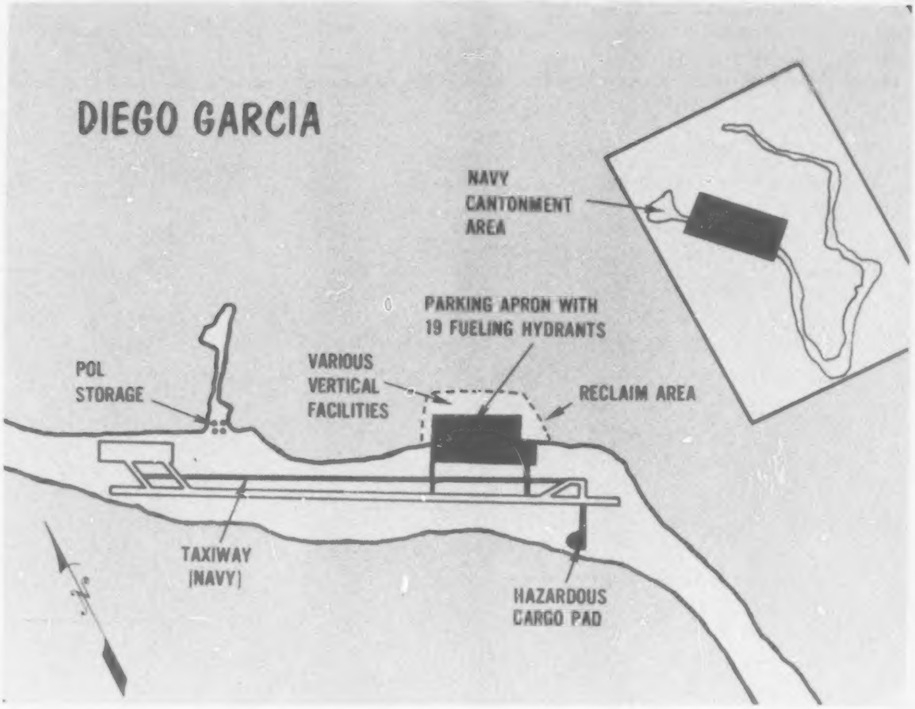
EGYPT

SYRIA
IRAQ
IRAN
CAIRO
JORDAN
RAS BANAS
SAUDI ARABIA
SUDAN
YEMEN
S. YEMEN
ETHIOPIA

SLIDE 17

RAS BANAS

In Egypt we are asking for $70.4 million to develop facilities at Ras Banas.


DIEGO GARCIA
NAVY CANTONMENT AREA
PARKING APRON WITH 19 FUELING HYDRANTS
POL STORAGE
VARIOUS VERTICAL FACILITIES
RECLAIM AREA
TAXIWAY (NAVY)
HAZARDOUS CARGO PAD

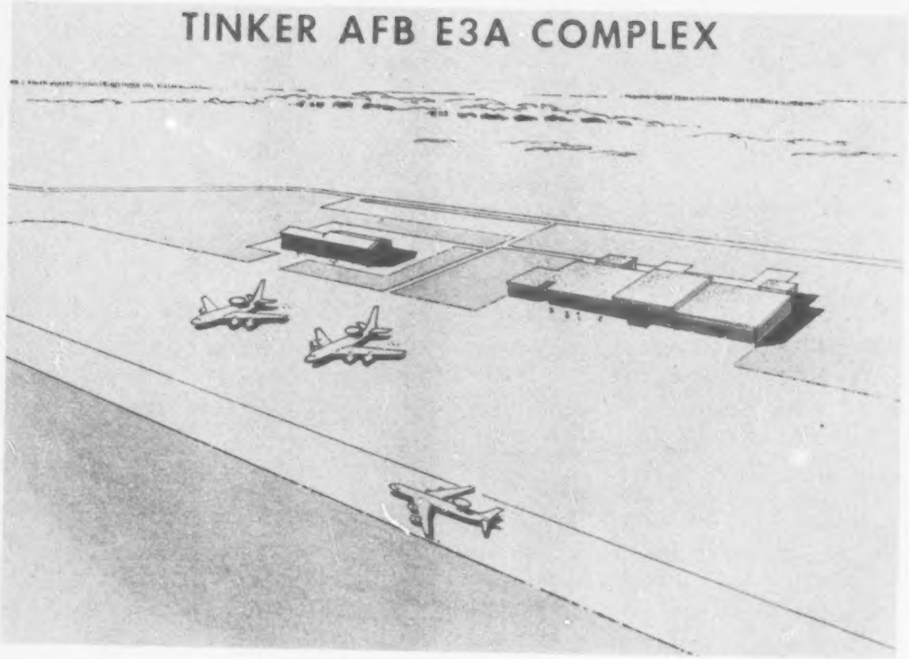
SLIDE 18

DIEGO GARCIA

Also included is a requirement for $115 million to construct Air Force required facilities at Diego Garcia. This beefs up the aircraft parking area, provides fueling systems, and constructs a hazardous cargo pad.

We are seeking $9 million to construct facilities to house the Rapid Deployment Joint Task Force headquarters. This headquarters will be located at MacDill Air Force Base.

In the area of new missions and mission realinements we are requesting $76.3 million for facility support of mission and weapons systems changes in the continental United States and overseas.

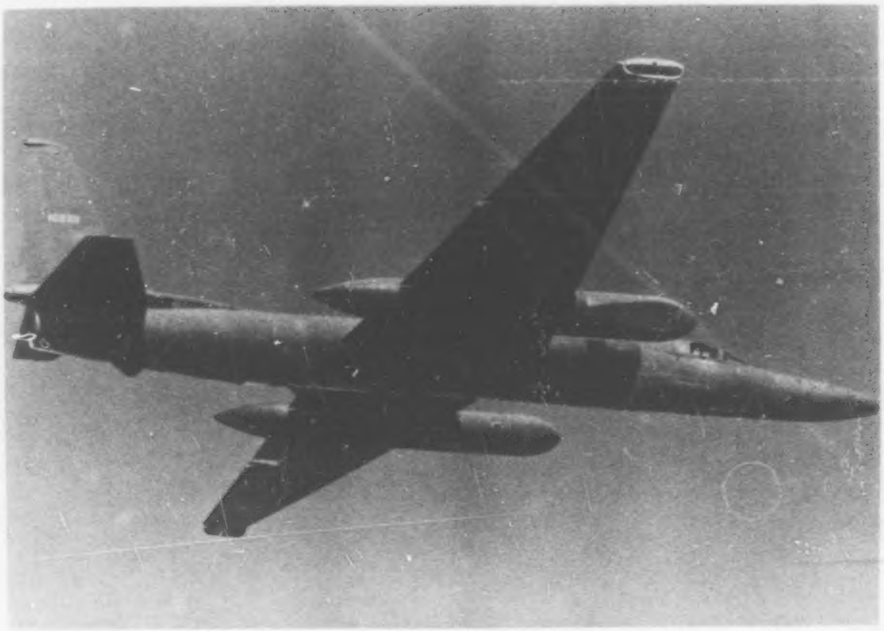


TINKER AFB E3A COMPLEX

SLIDE 19

AWACS ALERT FACILITY

This includes $23 million for an airborne warning and control system or AWACS alert facility at Tinker Air Force Base in Oklahoma City.



Slide 20

ALCONBURY FACILITY

Also, $19 million for facilities to support beddown of the TR-1 squadron at RAF Alconbury. The TR-1 is an Air Force reconnaissance aircraft which is a variant of the U-2.

Senator Sasser. What are those things on the wings there?

General Wright. Sir, those are pods that house electronic gear. We are asking for $3.5 million this year to provide support construction for the installation of sound suppressors at six installations.

FLIGHT SIMULATOR BUILDINGS

We are also asking in fiscal year 1982 for $24.5 million for flight simulator buildings at seven locations. The projects continue our overall program to improve air crew proficiency. Simulators augment inflight training and permit air crews to practice events which cannot be accomplished in flight due to safety and flying hour limitations. Facilities in this year's request will house simulators for KC-10, which is the Air Force version of the DC-10, the B-52, the F-4G, and the A-10.

PHASE IV COMPUTER PROGRAM

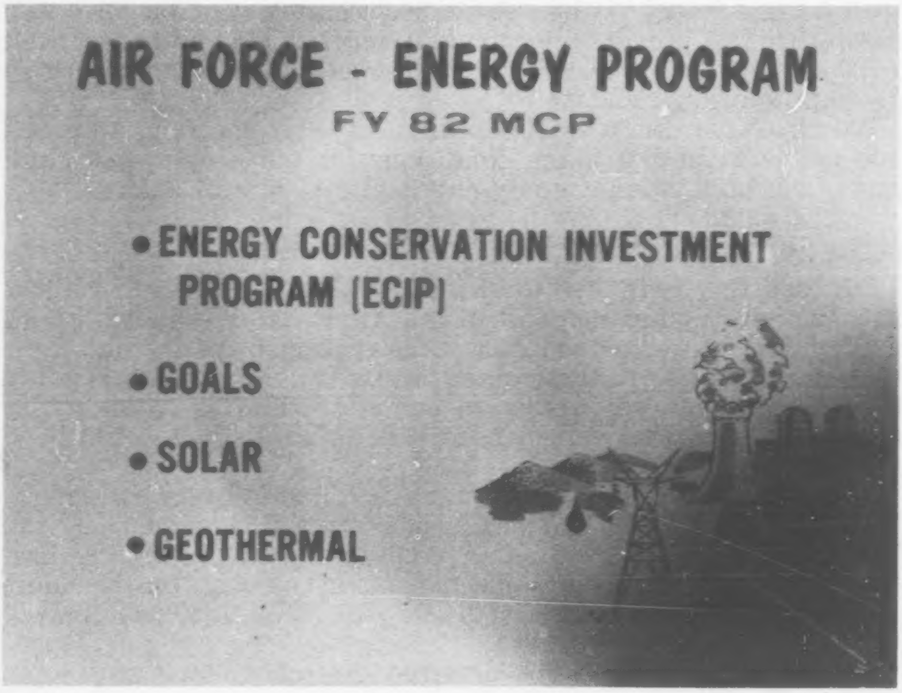
We are also asking, Mr. Chairman, for facilities to accommodate our phase IV computer upgrade program. We are submitting 31 projects this year for $30 million at various locations worldwide. The construction program is geared to the computer equipment delivery date.

We are also seeking $40 million to accommodate the minimally attended radar program. This is the first of two phases to complete the necessary facility support at 12 radar sites in Alaska. The concept involves replacing the existing equipment with a modern surveillance system that can be maintained and operated with a much smaller number of people.

This year the Air Force requests $64.2 million to continue upgrading unaccompanied personnel housing. These are dormitories for our single enlisted people on our air bases. Living and working conditions are key factors in recruiting and retention of our people.

This committee has indeed given us outstanding support in this program in the past, Mr. Chairman, and we seek your continued support of this vital people-related program.

This year we are seeking a medical contruction program of some $106 million that places emphasis on comprehensive care for our poeple and their families. This includes one large project to consolidate and modernize the hospital at Wright-Patterson Air Force Base in Ohio for $102 million and a $3.8 million project to eliminate life safety deficiencies in a hospital at Travis Air Force Base in California.



AIR FORCE - ENERGY PROGRAM

FY 82 MCP

- ENERGY CONSERVATION INVESTMENT PROGRAM (ECIP)
- GOALS
- SOLAR
- GEOTHERMAL

SLIDE 21

ENERGY PROGRAM

Our energy program this year comes to $60.2 million. The $48 million energy conservation investment program is the backbone of our effort to reduce overall energy consumption 20 percent by 1985 over a 1975 baseline.

We have 30 solar systems operational at 23 locations, 3 more under construction, and 20 under design; $[illegible] million of the fiscal year 1982 program is devoted to providing additional solar systems at 10 locations.

We are also pursuing the use of geothermal energy. At Williams Air Force Base in Arizona we are developing, with DOE's help, a project to provide geothermal energy for selected facilities on that base.

At McClellan Air Force Base, Calif., we received approval last year for an energy-management control system project which will track baseline data on selected facilities as well as provide energy savings through better energy management. This year we are requesting funds to expand this system as well as upgrade a portion of the base utility system.

This year $6.4 million is being requested to continue our efforts to provide treatment to meet the more stringent air and water quality standards promulgated by EPA and the States.

This year's program includes $3.5 million to upgrade the sewage treatment at Ellsworth AFB, S. Dak., to meet EPA standards and we are asking for $1.5 million for a project at Wurtsmith Air Force Base, Mich., to provide a permanent aeration system to remove 80 to 90 percent of an identified trichloroethylene contamination of the base water system.

We also have this year $6.1 million at three locations to provide safe and healthful working conditions for our employees. This is part of our occupational safety and health program.

CONSTRUCTION FUNDING SHORTFALL

Included this year, Mr. Chairman, is $242.5 million to relieve a construction funding shortfall in the Air Force. We have a backlog of previously approved military construction projects that cannot be constructed due to the lack of funds. This funding shortfall has severely hindered our ability to complete valid essential projects that have had to be deferred until additional funds could be obtained.

From fiscal year 1977 to 1979 the Air Force military construction program, as approved by the Congress, was underfunded by some $113 million. This underfunding, combined with the high inflation experienced in recent years and major cost overruns on the Shuttle system, necessitated deferring fiscal year 1979, 1980 and 1981 approved projects.

We have reprioritized the deferred projects to assure that mission-essential construction is funded, but a backlog of operations, maintenance, supply, unaccompanied housing, administrative, community and medical facilities cannot be accomplished unless additional funds are provided.

We also expect to have to fund during fiscal 1982 a portion of the shortfall that has recently surfaced at the aero propulsion system test facility at Arnold Engineering Development Center, Tenn., and we are currently working on this problem.

Because of economic uncertainties at home and overseas it is becoming increasingly difficult to predict the marketplace regardless of the percentage of design completion.

The estimates before you today, Mr. Chairman, have been developed from the best possible data available to us and all but a few projects at this time are designed to the 35-percent stage or better. Our goal is to obligate construction funds in the year appropriated. We are confident we can achieve this goal.

Our fiscal year 1982 design fund needs total $245.5 million. As we stated earlier, MX requirements are about 64 percent of this total. The remaining $89 million will be used to design all other facility requirements in the 1982 program.

PREPARED STATEMENT

Mr. Chairman, this concludes my prepared statement and I thank you for the opportunity to appear before the committee today. If there are any questions about our program we will be pleased to respond as well as provide additional information as required by the committee. I will present my prepared statement for inclusion in the record at this point. Thank you.

[The statement follows:]

PREPARED STATEMENT OF BRIG. GEN. CLIFTON D. WRIGHT

DEPUTY DIRECTOR OF ENGINEERING AND SERVICES

U. S. AIR FORCE

MR. CHAIRMAN, IT IS A PLEASURE TO APPEAR BEFORE THIS COMMITTEE TO PRESENT OUR FISCAL YEAR 1982 PROGRAM. I BROUGHT WITH ME SOME OF THE MORE KNOWLEDGEABLE PEOPLE ON THE AIR STAFF TO ADDRESS SPECIFIC PROJECTS AND PROGRAMS THAT ARE IN THE APPROPRIATIONS REQUEST FOR FISCAL YEAR 1982. I HOPE WE CAN BE TOTALLY RESPONSIVE TO ALL QUESTIONS FROM THE COMMITTEE.

THIS YEAR'S REQUEST CONSISTS OF PROJECTS THROUGHOUT THE UNITED STATES AND OVERSEAS TOTALLING OVER $2.2 BILLION. IT BUILDS ON PROGRAMS WE HAVE PRESENTED IN THE PAST AND IT ALSO INCLUDES THE START OF NEW PROGRAMS, SOME OF WHICH WILL CONTINUE IN THE FUTURE.

I WOULD BRIEFLY LIKE TO HIGHLIGHT A FEW OF THE LARGER AND MORE IMPORTANT PROGRAMS AND PROJECTS AT THIS TIME.

SPACE TRANSPORTATION SYSTEM

THIS IS THE FOURTH YEAR WE ARE REQUESTING FUNDS IN SUPPORT OF THE NATIONAL SPACE TRANSPORTATION SYSTEM (STS). OVER THE PAST THREE YEARS, THIS COMMITTEE HAS APPROPRIATED $286.7 MILLION FOR STS FACILITY PROJECTS AT VANDENBERG AFB, CALIFORNIA; THE JOHNSON SPACE CENTER, TEXAS; AND CAPE CANAVERAL AFS, FLORIDA. IN ADDITION, THE COMMITTEE HAS APPROVED THE REPROGRAMMING OF $77.4 MILLION TO COVER THE LAUNCH COMPLEX COST OVERRUN AT VANDENBERG. THUS, THE TOTAL FUNDING APPROVED BY THIS COMMITTEE FOR THE STS IS $364.1 MILLION.

OUR $38.2 MILLION APPROPRIATION REQUEST FOR STS THIS YEAR INCLUDES $19.9 MILLION FOR INDUSTRIAL, MISSION PLANNING, AND SUPPORT FACILITIES AT VANDENBERG AFB, CALIFORNIA; $18.0 MILLION FOR SOLID ROCKET BOOSTER RETRIEVAL AND DISASSEMBLY FACILITIES AT PORT HUENEME, CALIFORNIA; AND $300 THOUSAND FOR PHYSICAL PROTECTION OF CLASSIFIED DATA USED IN DOD MISSIONS AT THE GODDARD SPACE CENTER, MARYLAND.

THE STS PROGRAM IS DIRECTED TOWARDS AN INITIAL OPERATIONAL CAPABILITY DATE (IOC) AT VANDENBERG OF AUGUST 1984. THE FISCAL YEAR 1982 PROGRAM SHOULD ESSENTIALLY COMPLETE THE CONSTRUCTION REQUIRED TO PROVIDE AN INITIAL CAPABILITY OF ABOUT TEN LAUNCHES PER YEAR. A POSSIBLE EXCEPTION IS A THERMAL PROTECTION SYSTEM FACILITY IN

FISCAL YEAR 1983 TO MANUFACTURE, PROCESS, AND STORE ORBITER THERMAL PROTECTION TILES. THE NEED FOR THIS FACILITY IS NOW BEING EVALUATED. IN FUTURE YEARS, WE WILL REQUEST FACILITIES TO IMPLEMENT THRUST AUGMENTATION AND INCREASE THE LAUNCH RATE AT VANDENBERG TO A MAXIMUM OF 20 PER YEAR. I HAVE SEVERAL SLIDES SHOWING THE MAJOR FACILITIES WE ARE REQUESTING IN THE 82 PROGRAM. THE FIRST IS FOR WORK TO DREDGE A COVE AND CONSTRUCT A DOCK AND ROAD AT VANDENBERG. THIS IS REQUIRED TO RECEIVE THE LARGE EXTERNAL TANK THAT COMES BY BARGE FROM THE MANUFACTURER AT MICHOUD, LA. THE TANK IS THEN TOWED OVER THE ROAD TO THE LAUNCH FACILITY. THE SECOND SLIDE SHOWS A CUTAWAY OF THE PARACHUTE REFURBISHMENT SHOP. THIS IS WHERE THE CHUTES THAT BRING DOWN THE REUSABLE SOLID ROCKET BOOSTERS ARE TAKEN AND MADE READY FOR ANOTHER LAUNCH. THE NEXT TWO SLIDES SHOW THE INTEGRATED OPERATIONS SUPPORT CENTER AND SYSTEMS MANAGEMENT AND ENGINEERING FACILITY WHICH ARE REQUIRED TO MANAGE THE STS PROGRAM, ACCOMPLISH MISSION PLANNING, AND MANAGE THE WESTERN TEST RANGE. THE LAST SLIDE ILLUSTRATED THE FACILITIES AT PORT HUENEME FOR UNLOADING AND DISASSEMBLING SOLID ROCKET BOOSTERS. THE SOLID ROCKET BOOSTERS PARACHUTE INTO THE OCEAN AFTER A LAUNCH, ARE RECOVERED, AND TAKEN TO PORT HUENEME. AT PORT HUENEME THE BOOSTERS ARE DISASSEMBLED. THE ENGINES ARE RETURNED TO VANDENBERG WHILE FUEL CELLS ARE RETURNED TO THE MANUFACTURER FOR REPACKING.

M-X

THE NEXT SUBJECT IS M-X. THIS IS THE THIRD YEAR WE HAVE COME BEFORE THIS COMMITTEE FOR M-X CONSTRUCTION FUNDING. IN FY 80 THE CONGRESS PROVIDED $57 MILLION TO CONSTRUCT TEST FACILITIES AT VANDENBERG AFB, CA AND $5.4 MILLION WAS APPROVED FOR ALTERATION OF ENGINE TEST CELLS AT ARNOLD ENGINEERING DEVELOPMENT CENTER, TENNESSEE, TO ALTITUDE TEST THE SECOND, THIRD AND FOURTH STAGE MOTORS OF THE MISSILE. CONSTRUCTION IS WELL UNDERWAY ON BOTH ITEMS. IN FY 81 AN ADDITIONAL $17.1 MILLION WAS AUTHORIZED FOR FURTHER TEST FACILITIES AT VANDENBERG.

THIS YEAR WE ARE REQUESTING $366.0 MILLION FOR M-X SUPPORT FACILITIES. THIS SUBMISSION IS KEYED TO A BASING DECISION THIS SUMMER. GENERALLY SPEAKING THE PROGRAM INCLUDES SITE DEVELOPMENT WORK, MOBILIZATION FACILITIES, OPERATIONAL BASE TEST SITE CONSTRUCTION, REAL ESTATE, THE SUPPORT COMPLEX AT NORTON AND FUNDS FOR THE PURCHASE OF SELECTED LONG LEAD TIME MATERIALS. WE ASK FOR AUTHORIZATION AND

FUNDING THIS YEAR FULLY REALIZING THAT TWO CRITICAL ACTIONS AFFECTING THE BASING MODE ARE YET TO BE COMPLETED. THE FIRST IS THE ONGOING REVIEW BY A SPECIAL PANEL THAT WILL REPORT TO SECRETARY WEINBERGER IN JUNE OF THIS YEAR AND THE SECOND IS COMPLETION OF THE FINAL ENVIRONMENTAL IMPACT STATEMENT LATER THIS SUMMER..

TIMELY EXECUTION OF THE FY 82 MCP AS CURRENTLY CONCEIVED IS CRUCIAL TO MEETING THE SYSTEM IOC OF JULY 1986 AND TO STAY ON SCHEDULE WE MUST GET THESE PROJECTS DESIGNED AND UNDER CONSTRUCTION DURING FY 82. WE ARE, IN FACT, ALREADY BEHIND SCHEDULE ON SOME OF THIS WORK.

(TO KEEP FROM FALLING FURTHER BEHIND, YET COMPLY WITH THE LAW, WE HAVE HAD TO INITIATE BASE COMPREHENSIVE PLANNING AND DETAILED FACILITY DESIGN AT FOUR ALTERNATIVE SITES (COYOTE SPRING, BERYL, MILFORD, AND CLOVIS.) DESIGN OF BUILDINGS AND STRUCTURES (VERTICAL FACILITIES) IS UNDERWAY AND, AS DIRECTED BY THE CONGRESS LAST YEAR, WILL REMAIN NON-SITE SPECIFIC UNTIL ALL TERMS, CONDITIONS AND REQUIREMENTS OF THE NATIONAL ENVIRONMENTAL POLICY ACT ARE MET. DESIGN OF ROADS AND UTILITY SYSTEMS (HORIZONTAL FACILITIES) WILL SOON BE GETTING UNDERWAY AT EACH OF THE CANDIDATE LOCATIONS. WE ARE VERY MUCH AWARE THAT DESIGNING MORE THAN ONE LOCATION PUTS SOME PLANNING AND DESIGN MONEY AT RISK BUT HAVE INCLUDED PROVISIONS IN THE CONTRACTS THAT PERMIT ORDERLY TERMINATION OF ALL BUT ONE WHEN THE FINAL DECISION IS MADE.) THESE SLIDES PRESENT A SUMMARY OF THE TYPE FACILITIES WE ARE REQUESTING IN THE FY 82 PROGRAM. (PAUSE FOR BRIEFING)

MR. CHAIRMAN OUR CONSTRUCTION REQUEST FOR M-X FACILITIES WILL BE PHASED OVER THE NEXT SEVERAL YEARS. THE SCHEDULE PRESENTS US WITH A REAL CHALLENGE FOR THE 1980'S BUT WE INTEND TO MEET THIS CHALLENGE BY UNDERTAKING AN AGGRESSIVE AND WELL MANAGED DESIGN AND CONSTRUCTION PROGRAM. WITH THE CONTINUING SUPPORT OF THIS COMMITTEE, WE WILL MEET OUR GOALS AND SEE THIS PROGRAM THROUGH TO A SUCCESSFUL COMPLETION.

AIR LAUNCHED CRUISE MISSILE

THIS YEAR $102,208,000 IS INCLUDED FOR PROJECTS AT FOUR LOCATIONS TO ACCOMMODATE THE AIR LAUNCHED CRUISE MISSILE SYSTEM. MOST OF THE WORK IS FOR DATA AUTOMATION, AND MAINTENANCE AND STORAGE FACILITIES -- SOME IS NEW CONSTRUCTION AND SOME IS ALTERATION OF EXISTING FACILITIES. THE LOCATIONS ARE ELLSWORTH AFB, SOUTH DAKOTA ($27.4 MILLION);

BLYTHEVILLE AFB, ARKANSAS ($19.9 MILLION); CARSWELL AFB, TEXAS ($32.6 MILLION) AND FAIRCHILD AFB, WASHINGTON ($22.2 MILLION).

READINESS OVERSEAS

INCREASING THE READINESS OF OUR COMBAT FORCES ALSO CONTINUES TO BE ONE OF OUR HIGHEST PRIORITY REQUIREMENTS. OUR BASING STRUCTURE IS A VITAL PART OF OUR READINESS EQUATION BECAUSE WE, UNLIKE THE OTHER SERVICES, WILL FIGHT FROM OUR FIXED MAIN OPERATING AND COLLOCATING OPERATING OVERSEAS BASES. THUS, TO OPTIMIZE OUR COMBAT CAPABILITY, WE MUST HAVE ADEQUATE RUNWAYS, HARDENED SHELTERS, HARDENED AND CHEMICALLY PROTECTED OPERATIONAL AND SUPPORT FACILITIES, AND PROTECTED STORAGE FOR WAR RESERVE MATERIALS. IN ADDITION TO THEIR DIRECT ROLE IN COMBAT SORTIE GENERATION, OUR FACILITIES PLAY AN IMPORTANT PART IN SUSTAINING THE MORALE OF OUR PEOPLE IN PEACETIME. MANY OF OUR PEOPLE, ESPECIALLY THE YOUNG ENLISTED MEMBERS, SPEND 24 HOURS A DAY ON OUR OVERSEAS BASES. PROVIDING THEM WITH A DECENT LIVING AND WORKING ENVIRONMENT IS CRITICAL TO RETAINING THEM PAST THEIR INITIAL ENLISTMENTS.

WE ARE VERY MUCH AWARE OF THE CONCERN OF CONGRESS REGARDING FACILITY BURDEN SHARING IN EUROPE AND THE PACIFIC. IN JAPAN AND KOREA, WE CONTINUE TO RECEIVE CONSIDERABLE HELP TO BEDDOWN NEW AIRCRAFT AS WELL AS FUNDING SUPPORT FOR PERSONNEL FACILITIES AND HOUSING. IN EUROPE WE CONSTANTLY PRESS FOR MORE NATO INFRASTRUCTURE FUNDS. HOWEVER, SOME FACILITIES WE ARE ASKING FOR THIS YEAR ARE NEEDED NOW -- BEFORE WE CAN OBTAIN NATO FUNDING -- TO PROPERLY SUPPORT OUR FORCES. WE THEREFORE SEEK YOUR SUPPORT FOR THOSE PROGRAMS WHICH REQUIRE PREFINANCING AUTHORITY AND APPROPRIATIONS. OUR PROGRAM ALSO ADDRESSES THOSE FACILITIES WHICH ARE VITAL TO SUPPORT THE RDJTF. THIS IS IN CONSONANCE WITH THE PRESIDENT'S STATED INTENTIONS OF PROVIDING ACCESSIBILITY TO THE OIL PRODUCING NATIONS OF THE AREA.

READINESS-EUROPE

MOVING NOW TO THE SPECIFICS OF THE PROGRAM, THE FIRST ITEM IS FOR PROJECTS TO SUPPORT THE GROUND LAUNCHED CRUISE MISSILE (GLCM) SYSTEM. LAST YEAR, IN THE FY 81 PROGRAM, THE CONGRESS APPROVED $19.0 MILLION TO PREFINANCE OPERATIONAL FACILITIES IN ENGLAND. THIS SLIDE PORTRAYS A TYPICAL NATO APPROVED GLCM OPERATIONAL SHELTER. THIS ONE SHOWS A TYPICAL SQUADRON THAT CONSISTS OF EIGHT FLIGHTS.

IF STRUCK WITHOUT WARNING THE LAUNCHERS AND CONTROL CENTER VEHICLES WILL BE IN HARDENED SHELTERS TO RIDE OUT THE ATTACK. IF ADVANCED WARNING IS RECEIVED THE FLIGHTS WILL DISPERSE AS SHOWN ON THE RIGHT (G7). THIS NEXT SLIDE SHOWS THE GLCM IN A DISPERSED MODE (G3). THIS YEAR WE ARE PRESENTING THE FIRST PHASE OF NON-NATO ELIGIBLE PROJECTS SUPPORTING PEOPLE TO OPERATE THE SYSTEM. OUR REQUEST IS FOR $69 MILLION AT TWO LOCATIONS. AT RAF GREENHAM COMMON IN THE UNITED KINGDOM WE NEED $12.6 MILLION TO UPGRADE EXISTING BUILDINGS. THE REMAINDER OF THIS LINE ITEM, $56.5 MILLION, IS REQUIRED AT THE SECOND BEDDOWN LOCATION IN ITALY. THE SITE, AT A LOCATION YET TO BE ANNOUNCED, CAN PROVIDE THE LAND NEEDED FOR GLCM, BUT DOES NOT HAVE FACILITIES AVAILABLE FOR RENOVATION. WE WILL BE BUILDING FROM THE GROUND UP AT THIS SITE. OUR REQUEST IS ONLY FOR THE BASIC REQUIREMENTS THAT WILL BE NEEDED FOR BASE OPERATING SUPPORT FUNCTIONS. A SECOND PHASE FOR NON-NATO ELIGIBLE PROJECTS AT THIS SITE WILL BE IN A LATER MILITARY CONSTRUCTION REQUEST. OPERATIONAL FACILITIES ARE INCLUDED IN THE NATO INFRASTRUCTURE PROGRAM.

ANOTHER OF OUR HIGH PRIORITY PROJECTS IN EUROPE IS THE CONSOLIDATION OF UNITED STATES AIR FORCES IN EUROPE'S (USAFE) PHOTO INTELLIGENCE FUNCTIONS INTO ONE COMPOSITE FACILITY AT RAMSTEIN AIR BASE. THIS OPERATION IS NOW LOCATED IN A VULNERABLE OLD KASERNE AT SCHIERSTEIN, A SUBURB OF WEISBADEN, ABOUT 60 MILES EAST TOWARD THE RHINE RIVER FROM USAFE HEADQUARTERS AT RAMSTEIN. INTELLIGENCE MATERIAL PROVIDED BY 497TH RECONNAISSANCE TECHNICAL GROUP AT SCHIERSTEIN IS VITAL TO EXECUTION OF THE AIR BATTLE IN THE EUROPEAN THEATER. AT THE PRESENT TIME, INTELLIGENCE FROM A NUMBER OF DIFFERENT SOURCES THAT HAS TO BE PROCESSED AND EXPLOITED BY THE 497TH IS TRANSPORTED FROM THE COMBAT OPERATION INTELLIGENCE CENTER (COIC) AT RAMSTEIN OVER ROAD BY COURIER 60 MILES TO SCHIERSTEIN, PROCESSED, THEN RETURNED BY COURIER TO THE COMMANDER AND HIS STAFF IN THE RAMSTEIN AREA FOR USE.

OUR PROGRAM ALSO INCLUDES AN INCREMENT OF PROJECTS FOR MINIMUM ESSENTIAL FACILITIES TO SUPPORT OPERATIONS AT COLLOCATED OPERATING BASES (COBS), AND FOR CHEMICAL WARFARE (CW) PROTECTION FOR SQUADRON OPERATIONS BUILDINGS AND AVIONICS SHOPS AND WORK TO HARDENED KEY LOGISTICS FACILITIES. THE COB PROGRAM, INITIATED IN THE EARLY 1970'S, PROVIDES FOR THE AIR FORCE, A SERIES OF STRATEGICALLY LOCATED AIR BASES FOR A RELATIVELY SMALL DOLLAR

INVESTMENT. THIS SLIDE SHOWS THE GENERAL LOCATION OF COBS. (UNCLASSIFIED VERSION). THERE ARE 73 BASES IN ALL. IT WILL TAKE MANY YEARS AND MILLIONS OF DOLLARS TO PROVIDE ALL REQUIRED FACILITIES AT THE COBS. THE PRESSING NEED FOR OPERATING LOCATIONS FOR AUGMENTATION AIRCRAFT LED TO A DECISION SEVERAL YEARS AGO TO CONCENTRATE ON OBTAINING MINIMUM ESSENTIAL FACILITIES (MEF) AT THE COBS ON A PRIORITY BASIS. THIS SLIDE SHOWS A COMPARISON OF MCP VS NATO FUNDING FOR MEF TO DATE.

WE ARE NOW FACED WITH A SITUATION, WHERE, BECAUSE OF OTHER HIGH PRIORITY INFRASTRUCTURE FUNDING REQUIREMENTS (GLCM & POMCUS) NATO WILL MOST LIKELY BE UNABLE TO SUPPORT COB REQUIREMENTS UNTIL 1985.

TO KEEP THIS VITAL PROGRAM MOVING, WE NEED YOUR SUPPORT ON THE MINIMUM ESSENTIAL FACILITY (MEF) PORTION OF THE PROGRAM. IN THIS PROGRAM WE PROVIDE FACILITIES FOR SEVEN DAYS FUEL AND AMMUNITION STORAGE AND DISPERSED AIRCRAFT PARKING. THIS AMMOUNTS TO ABOUT $4.5 MILLION PER BASE - THE HOST NATION PROVIDES THE REST. MR. CHAIRMAN, THIS IS A RELATIVELY SMALL INVESTMENT TO OBTAIN AN OPERATIONAL AIRFIELD. THESE FACILITIES, IN ADDITION TO OUR MAIN OPERATING BASES, ENABLE US TO PUT A LARGE NUMBER OF AIRCRAFT IN THEATER IN A VERY SHORT PERIOD OF TIME. THIS, WE BELIEVE, WILL MAKE THE SOVIET PLANNERS THINK TWICE BEFORE MAKING A MOVE.

THIS YEAR WE ARE ASKING FOR $37.12 MILLION FOR 13 BASES. $24 MILLION OF THIS IS PREFINANCING, THEREFORE RECOUPABLE. $13.12 MILLION IS TO BEDDOWN AIRCRAFT THAT ARE CURRENTLY NOT ELIGIBLE FOR INFRASTRUCTURE FUNDING.

READINESS - PACIFIC

OUR FY 1982 REQUEST FOR READINESS RELATED PROJECTS IN THE PACIFIC CONTINUES OUR EFFORT TO IMPROVE THE EFFECTIVENESS OF U.S. FORCES IN THAT THEATER. OUR PROPOSED PROGRAM INCLUDES $31.4 MILLION IN NEW CONSTRUCTION AND IMPROVEMENT AND ALTERATION OF EXISTING OPERATIONAL AND LOGISTICAL FACILITIES. AS MENTIONED, THE GOVERNMENT OF JAPAN, THROUGH ITS COST SHARING PROGRAM, HAS COMMITTED OVER $100 MILLION OVER THE PAST TWO YEARS TO PROVIDE HOUSING AND PERSONNEL SUPPORT FACILITIES. THE GOVERNMENT OF KOREA HAS AGREED TO FUND A SEVEN-YEAR CONTINGENCY PROGRAM WHICH WE ESTIMATE WILL COST NEARLY $200 MILLION. IN ADDITION, THE KOREANS ARE COMMITTED TO FUND ESSENTIALLY ALL OF THE FACILITIES (AT AN ESTIMATED COST OF $75 MILLION) TO BEDDOWN A U.S. AIR FORCE A-10 SQUADRON AT SUWON AIR

BASE. WE ARE ENCOURAGED WITH THE WILLINGNESS OF OUR ASIAN ALLIES TO SHARE THE BURDEN OF CONSTRUCTION COSTS AND WILL CONTINUE TO SEEK THEIR COOPERATION IN THE FUTURE.

RAPID DEPLOYMENT JOINT TASK FORCE (RDJTF)

THE ABILITY OF USAF UNITS TO PERFORM THE RAPID DEPLOYMENT MISSION IS CURRENTLY CONSTRAINED BY SHORTFALLS IN PRESENT OVERSEAS BASES AND FACILITIES CAPABLE TO SUPPORT OPERATIONS. OUR PROGRAM IS A FIRST STEP IN IMPROVING OUR ABILITY TO RESPOND IN THE TIME OF CRISIS AND TO PROVIDE AN IMPROVED DETERRENT TO SOVIET MILITARY ACTIONS IN SWA. DEPLOYMENT OF A FORCE TO SWA REQUIRES INROUTE, STAGING, AND EMPLOYMENT FACILITIES. THIS YEAR'S PROGRAM SUBSTANTIALLY UPGRADES THE INROUTE FACILITIES AT LAJES AND DIEGO GARCIA TO SUPPORT AIRLIFT THAT WILL BE REQUIRED TO DEPLOY AND SUPPORT THE RDJTF. OMAN AND EGYPT ARE TWO COUNTRIES IN SWA THAT HAVE GIVEN US ACCESS TO DATE. WE NEED TO BUILD STAGING FACILITIES IN THESE COUNTRIES FROM WHICH FORCES CAN RAPIDLY BE MOVED TO FORWARD OPERATING LOCATIONS. TO SUPPORT RDJTF WE ARE REQUESTING $78.5 IN OMAN, $70.4 IN EGYPT, $115 AT DIEGO GARCIA, AND $49.6 AT LAJES. IN OMAN WE NEED TO CONSTRUCT AT 3 LOCATIONS AS SHOWN, IN EGYPT AT RAS BANAS AND AT DIEGO GARCIA. WE ARE ALSO ASKING FOR $9.0 MILLION TO CONSTRUCT FACILITIES AT MACDILL AFB, FLORIDA, TO HOUSE THE RDJTF HEADQUARTERS. EVEN THOUGH RECENT ARTICLES IMPLY OTHERWISE, THE REQUIREMENT FOR THIS FACILITY REMAINS VALID.

NEW MISSIONS AND MISSION REALIGNMENTS

WE ARE REQUESTING $76.3 MILLION FOR FACILITY SUPPORT OF MISSION AND/OR WEAPONS SYSTEM CHANGES IN THE CONTINENTAL UNITED STATES AND OVERSEAS. THIS INCLUDES $23 MILLION FOR AN AWACS ALERT FACILITY AT TINKER AIR FORCE BASE, $19 MILLION FOR PERSONNEL SUPPORT FACILITIES TO ACCOMMODATE BEDDOWN OF A TR-1 SQUADRON IN RAF ALCONBURY AND THE REMAINING FUNDS FOR VARIOUS WEAPON SYSTEM SUPPORT FACILITIES THROUGHOUT THE CONUS AND OVERSEAS.

SOUND SUPPRESSORS

$3.5 MILLION IS TO PROVIDE SUPPORT CONSTRUCTION FOR THE INSTALLATION OF SOUND SUPPRESSORS AT SIX INSTALLATIONS. THE SOUND SUPPRESSORS FOR JET ENGINE RUN-UP TESTING ARE BEING PURCHASED WITH EQUIPMENT FUNDS.

FLIGHT SIMULATORS

OUR FY 1982 REQUEST INCLUDES $24.5 MILLION FOR FLIGHT SIMULATOR BUILDINGS AT SEVEN LOCATIONS. THE PROJECTS CONTINUE OUR OVERALL PROGRAM TO IMPROVE AIRCREW PROFICIENCY. SIMULATORS AUGMENT IN-FLIGHT TRAINING AND PERMIT AIRCREWS TO PRACTICE EVENTS WHICH CANNOT BE ACCOMPLISHED IN-FLIGHT DUE TO SAFETY AND FLYING HOUR LIMITATIONS. FACILITIES IN THIS YEAR'S REQUEST WILL HOUSE SIMULATORS FOR KC-10, B-52, F-4G AND A-10 AIRCRAFT.

DATA PROCESSING FACILITIES - PHASE IV

THIS YEAR'S PROGRAM ALSO INCLUDES THE FIRST OF TWO INCREMENTS FOR PROJECTS TO SUPPORT AN AIR FORCE WIDE PROGRAM TO UPGRADE BASE LEVEL DATA AUTOMATION EQUIPMENT. WE ARE SUBMITTING 31 PROJECTS FOR $30.0 MILLION AT VARIOUS LOCATIONS WORLDWIDE. THE CONSTRUCTION PROGRAM IS GEARED TO THE COMPUTER EQUIPMENT DELIVERY SCHEDULE. DELIVERY AND INSTALLATION OF THE REPLACEMENT EQUIPMENT IS SCHEDULED TO COMMENCE IN 1983.

MAR

WE ARE REQUESTING $40.2 MILLION TO ACCOMMODATE THE MINIMALLY ATTENDED RADAR (MAR) PROGRAM. THIS IS THE FIRST OF TWO PHASES TO COMPLETE THE NECESSARY FACILITY SUPPORT AT TWELVE RADAR SITES IN ALASKA. THE MAR CONCEPT INVOLVES REPLACING THE EXISTING EQUIPMENT WITH A MODERN SURVEILLANCE SYSTEM THAT CAN BE MAINTAINED AND OPERATED BY A SMALL NUMBER OF PERSONNEL.

FINAL OPERATIONAL CAPABILITY OF THE NEW RADARS IS SCHEDULED FOR SEPTEMBER 1984.

UNACCOMPANIED PERSONNEL HOUSING

THIS YEAR THE AIR FORCE REQUESTS $64.2 MILLION TO CONTINUE UPGRADING UNACCOMPANIED PERSONNEL HOUSING FACILITIES. ON BEHALF OF THE COLLECTIVE LEADERSHIP OF THE AIR FORCE, I WANT TO REAFFIRM OUR COMMITMENT TO THE IMPROVEMENT OF LIVING CONDITIONS FOR OUR SINGLE ENLISTED PERSONNEL. LIVING AND WORKING CONDITIONS ARE KEY FACTORS IN RECRUITING AND RETENTION.

THE SUPPORT OF THIS COMMITTEE HAS BEEN TRULY OUTSTANDING IN THE PAST FEW YEARS, AND THE AIR FORCE IS GRATEFUL. HOWEVER, TOO MANY ENLISTED PEOPLE ARE STILL LIVING IN SUBSTANDARD FACILITIES THROUGHOUT THE AIR FORCE. I RESPECTFULLY URGE YOUR CONTINUED SUPPORT.

MEDICAL CONSTRUCTION PROGRAM

THE FY 1982 MEDICAL CONSTRUCTION PROGRAM REFLECTS OUR CONTINUING EFFORT TO SUPPORT THE AIR FORCE HEALTH CARE PROGRAM BY IMPROVING OUR FACILITIES TO ACCOMMODATE GROWTH AS WELL AS KEEPING PACE WITH TECHNOLOGICAL ADVANCEMENTS IN THE MEDICAL FIELD.

OUR $106.1 MILLION REQUEST THIS YEAR PLACES EMPHASIS ON COMPREHENSIVE CARE FOR OUR PEOPLE AND THEIR FAMILIES. INCLUDED IS A PROJECT TO CONSOLIDATE AND MODERNIZE A MEDICAL CENTER AT WRIGHT-PATTERSON AFB, OHIO, FOR $102.3 MILLION AND A $3.8 MILLION PROJECT TO ELIMINATE THE LIFE SAFETY DEFICIENCIES IN THE HOSPITAL AT TRAVIS AFB, CALIFORNIA.

ENERGY PROGRAM

OUR ENERGY PROGRAM THIS YEAR COMES TO $60.2 MILLION. THE $48.1 MILLION ENERGY CONSERVATION INVESTMENT PROGRAM (ECIP) IS THE BACKBONE OF OUR EFFORT TO REDUCE OVERALL ENERGY CONSUMPTION 20 PERCENT BY 1985 COMPARED TO A 1975 BASELINE. OUR TARGET IS FOR ECIP TO CONTRIBUTE SOME 12% OF OUR TARGETED REDUCTION WITH THE REMAINING 8% COMING FROM MANAGEMENT, OPERATIONS, AND MAINTENANCE ACTIONS. THE FY 82 PROGRAM MAINTAINS AN AVERAGE ENERGY TO COST RATIO THAT IS FIFTY PERCENT ABOVE THE DOD MINIMUM.

WE HAVE 30 SOLAR SYSTEMS OPERATIONAL AT 23 LOCATIONS, THREE MORE UNDER CONSTRUCTION, AND 20 UNDER DESIGN. $3.6 MILLION OF THE FY 82 PROGRAM IS DEVOTED TO PROVIDING ADDITIONAL SOLAR SYSTEMS AT TEN LOCATIONS.

WE ARE ALSO PURSUING THE USE OF GEOTHERMAL ENERGY. AT WILLIAMS AFB, ARIZONA, WE ARE DEVELOPING, WITH DEPARTMENT OF ENERGY'S HELP A PROJECT TO PROVIDE GEOTHERMAL ENERGY FOR SELECTED FACILITIES.

AT MCCLELLAN AFB, CALIFORNIA, WE RECEIVED APPROVAL LAST YEAR FOR AN ENERGY MANAGEMENT AND CONTROL SYSTEM (EMCS) WHICH WILL TRACK BASELINE DATA ON SELECTED FACILITIES, AS WELL AS PROVIDE ENERGY SAVINGS THROUGH BETTER ENERGY MANAGEMENT. THIS YEAR WE ARE REQUESTING FUNDS TO EXPAND THIS EMCS AS WELL AS UPGRADE A PORTION OF THE BASE UTILITY DISTRIBUTION SYSTEM.

MR. CHAIRMAN, WE ARE PROUD OF OUR ENERGY CONSERVATION PROGRAM AND THE RESULTS TO DATE. WE REALIZE THAT AMBITIOUS ENERGY CONSERVATION MEASURES ARE NECESSARY NOT ONLY TO SAVE MONEY BUT ALSO TO REDUCE OUR DEPENDENCE ON PETROLEUM RESOURCES.

WE PLAN TO CONTINUE OUR EFFORTS IN THE FUTURE AND LOOK TO YOUR SUPPORT OF THIS PROGRAM.

ENVIRONMENTAL PROTECTION

THE $6.4 MILLION REQUESTED IN FY 82 CONTINUES OUR EFFORT TO PROVIDE TREATMENT TO MEET THE MORE STRINGENT AIR AND WATER QUALITY STANDARDS PROMULGATED BY EPA AND THE STATES.

THIS YEAR'S PROGRAM INCLUDES $3.4 MILLION TO UPGRADE THE SEWAGE TREATMENT SYSTEM AT ELLSWORTH AFB, SOUTH DAKOTA, TO MEET ENVIRONMENTAL PROTECTION AGENCY REQUIREMENTS AND A $1.5 MILLION FOR WURTSMITH AFB, MICHIGAN, TO PROVIDE A PERMANENT AERATION SYSTEM TO REMOVE 80 TO 90 PERCENT OF AN IDENTIFIED TRICHLOROETHYLENE CONTAMINATION OF THE BASE WATER SYSTEM.

WITH THE INCREASED AWARENESS OF THE POTENTIAL HAZARDS ASSOCIATED WITH THE DISPOSAL OF TOXIC AND HAZARDOUS SUBSTANCES, WE ANTICIPATE FUTURE YEAR PROGRAMS WILL INCLUDE FUNDS FOR SUCH PURPOSES.

MR. CHAIRMAN, BY ITS NATURE, THE ENVIRONMENTAL PROTECTION PROGRAM MUST BE PHASED OVER SEVERAL YEARS AS CRITERIA AND STANDARDS ARE DEVELOPED. ALTHOUGH OUR BUDGET FOR THESE PROGRAMS HAS BEEN LIMITED, WE HAVE KEPT PACE WITH THE INCREMENTAL REQUIREMENTS, AND WE PLAN TO CONTINUE OUR EFFORTS IN THE FUTURE UNTIL ALL AIR FORCE LOCATIONS ARE IN COMPLIANCE WITH THE STANDARDS CURRENTLY IN EFFECT.

OCCUPATIONAL SAFETY AND HEALTH IN THE WORKPLACE

THIS YEAR'S PROGRAM INCLUDES PROJECTS TOTALLING $6.1 MILLION, AT THREE LOCATIONS SPECIFICALLY TO PROVIDE SAFE AND HEALTHFUL WORKPLACES FOR OUR EMPLOYEES. THE PROGRAM IS BASED ON THE LONG ESTABLISHED AIR FORCE COMMITMENT TO THE PRINCIPLES OF SAFETY AND HEALTH IN THE WORKPLACE THAT WAS [illegible]DATED IN THE OCCUPATIONAL, SAFETY AND HEALTH ACT OF 1970. TO THIS END, WE HAVE DEVELOPED A PHASED PLAN FOR THE IDENTIFICATION, BUDGETING AND FUNDING FOR THE CORRECTION OF ALL KNOWN DEFICIENCIES IN AIR FORCE WORKPLACES.

MILCON UNDERFUNDING

ALSO INCLUDED IN THE AIR FORCE SUBMITTAL IS A REQUEST FOR $242.5 MILLION TO RELIEVE A CONSTRUCTION FUNDING SHORTAGE. THE AIR FORCE HAS A BACKLOG OF PREVIOUSLY APPROVED MILITARY CONSTRUCTION PROJECTS THAT CANNOT BE CONSTRUCTED DUE TO LACK OF FUNDS. THIS FUNDING SHORTFALL HAS SEVERELY HINDERED OUR ABILITY TO COMPLETE VALID, ESSENTIAL PROJECTS THAT HAVE HAD TO BE DEFERRED UNTIL ADDITIONAL FUNDS COULD

BE OBTAINED. FROM FY 77 TO FY 79, THE AIR FORCE MILITARY CONSTRUCTION PROGRAM, AS APPROVED BY THE CONGRESS, WAS UNDERFUNDED BY $113.1 MILLION (PROJECTS CLEARED FOR ACCOMPLISHMENT VERSUS CASH APPROPRIATED). THIS UNDERFUNDING, COMBINED WITH THE HIGH INFLATION EXPERIENCED IN RECENT YEARS AND MAJOR COST OVERRUNS ON THE SPACE TRANSPORTATION SYSTEM, NECESSITATED DEFERRING FY 79, 80, AND 81 APPROVED PROJECTS. WE HAVE REPRIORITIZED THE DEFERRED PROJECTS TO ASSURE THAT MISSION ESSENTIAL CONSTRUCTION IS FUNDED, BUT A BACKLOG OF OPERATIONS, MAINTENANCE, SUPPLY, UNACCOMPANIED HOUSING, ADMINISTRATIVE, COMMUNITY, MEDICAL AND UTILITIES CANNOT BE ACCOMPLISHED UNLESS ADDITIONAL FUNDS ARE PROVIDED.

PROJECTS WE ARE PRESENTING TO THE COMMITTEE TODAY ARE BASED ON SOLID ENGINEERING AND DESIGN ESTIMATES INSOFAR AS POSSIBLE.

I MUST ADMIT HOWEVER THAT BECAUSE OF ECONOMIC UNCERTAINTIES AT HOME AND OVERSEAS, IT IS BECOMING INCREASINGLY DIFFICULT TO PREDICT THE MARKETPLACE REGARDLESS OF THE PERCENTAGE OF DESIGN COMPLETION. REST ASSURED, HOWEVER, THAT THE ESTIMATES BEFORE YOU HAVE BEEN DEVELOPED FROM THE BEST POSSIBLE DATA AVAILABLE TO US, AND THAT ALL BUT A FEW PROJECTS ARE AT THE 35% DESIGN STAGE OR BETTER. WE WISH TO ASSURE THE COMMITTEE THAT OUR GOAL FOR ALL PROJECTS IS TO OBLIGATE CONSTRUCTION FUNDS IN THE YEAR APPROPRIATED. WE ARE CONFIDENT WE CAN ACHIEVE THIS GOAL.

OUR FY82 DESIGN NEEDS TOTAL $245.5 MILLION. M-X REQUIREMENTS ARE 64% OF THIS TOTAL OR $156.3 MILLION, WITH $10 MILLION OF THIS M-X FIGURE TARGETED TOWARD COMMUNITY PLANNING ASSISTANCE. THE REMAINING $89.2 MILLION WILL BE USED TO DESIGN ALL OTHER FACILITY REQUIREMENTS. THE TOTAL $245.5 MILLION WILL ALLOW US TO COMPLETE THE FEW REMAINING DESIGNS IN OUR FY82 PROGRAM, TAKE OUR PROPOSED FY83 ITEMS TO 100%, AND INITIATE DESIGN ON OUR PLANNED FY84 PROGRAM.

IN CONCLUSION, MR. CHAIRMAN, WE WISH TO ASSURE YOU AND YOUR COMMITTEE THAT THIS PROGRAM REPRESENTS OUR BEST JUDGMENT AND PRIORITY CONSTRUCTION REQUIREMENTS WITHIN THE CONFINES OF OUR BUDGET. CAPITAL INVESTMENT IS PROPOSED ONLY FOR THOSE INSTALLATIONS PROGRAMMED TO REMAIN IN THE INVENTORY.

MR. CHAIRMAN, THIS CONCLUDES MY PREPARED STATEMENT. I THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE THIS COMMITTEE TODAY. IF THERE ARE ANY QUESTIONS ABOUT OUR PROGRAM WE WILL BE PLEASED TO RESPOND AS WELL AS PROVIDE ADDITIONAL INFORMATION AS YOU REQUIRE.

TABLE 1

DEPARTMENT OF THE AIR FORCE

FY 1982 MILITARY CONSTRUCTION APPROPRIATION PROGRAM

FOR THE ACTIVE FORCE

SECTION 301

COMMAND	
INSIDE THE UNITED STATES	($000)
AIR FORCE LOGISTICS COMMAND	173,040
AIR FORCE SYSTEMS COMMAND	55,580
AIR TRAINING COMMAND	44,978
ALASKAN AIR COMMAND	61,040
MILITARY AIRLIFT COMMAND	48,978
NATIONAL MILITARY COMMAND CENTER	3,000
NORTH AMERICAN AIR DEFENSE COMMAND	11,000
PACIFIC AIR FORCES	1,530
STRATEGIC AIR COMMAND	211,788
TACTICAL AIR COMMAND	81,119
UNITED STATES AIR FORCE ACADEMY	720
VARIOUS LOCATIONS - M-X	366,000
VARIOUS LOCATIONS - SPECIAL PROJECT	57,600
TOTAL INSIDE THE UNITED STATES	1,116,373
OUTSIDE THE UNITED STATES	
MILITARY AIRLIFT COMMAND	51,070
PACIFIC AIR FORCES	192,733
STRATEGIC AIR COMMAND	1,600
UNITED STATES AIR FORCES IN EUROPE	355,324
TOTAL OUTSIDE THE UNITED STATES	600,727
WORLDWIDE	
PLANNING AND DESIGN (INCLUDES M-X AND RDJTF)	245,500
MINOR CONSTRUCTION	17,800
MILITARY CONSTRUCTION FUND SHORTFALL	242,500
MINOR LAND	500
DEFENSE ACCESS ROADS	2,000
TOTAL WORLDWIDE	500,300
TOTAL APPROPRIATION PROGRAM	2,225,400

TABLE II

SUMMARY BY FORCE PROGRAM

	AMOUNT ($000)	% OF TOTAL
STRATEGIC FORCES	776,782	34.9
GENERAL PURPOSE FORCES	585,642	26.3
INTELLIGENCE AND COMMUNICATIONS	43,670	2.0
AIRLIFT	90,328	4.1
RESEARCH AND DEVELOPMENT	33,540	1.5
CENTRAL SUPPLY AND MAINTENANCE	36,890	1.7
TRAINING, MEDICAL AND OTHER GENERAL PERSONNEL ACTIVITIES	150,248	6.7
ADMINISTRATION AND ASSOCIATED ACTIVITIES	265,800	11.9
MILITARY CONSTRUCTION FUND SHORTFALL	242,500	10.0
TOTAL	2,225,400	100.0

TABLE III

PROGRAM BY CONSTRUCTION CATEGORIES

	AMOUNT ($000)	% OF TOTAL
OPERATIONAL	794,777	35.7
TRAINING	36,440	1.6
MAINTENANCE	76,676	3.5
RESEARCH, DEVELOPMENT, AND TEST	404,310	18.2
SUPPLY	22,800	1.0
HOSPITAL AND MEDICAL	110,050	4.9
ADMINISTRATION	62,690	2.8
PERSONNEL HOUSING	64,310	2.9
COMMUNITY	23,500	1.1
UTILITIES	36,810	1.7
POLLUTION	6,440	0.3
ENERGY	56,017	2.5
REAL ESTATE	22,280	1.0
SUPPORT	508,300	22.8
TOTAL	2,225,400	100.0

APPROPRIATION

NARRATIVE CATEGORY ANALYSIS

($ MILLION)

OPERATIONAL 794.8

THIS CATEGORY CONTAINS SUCH ITEMS AS ADD TO AND ALTER OFFENSIVE AVIONICS FACILITIES; OPERATIONS/MAINTENANCE FACILITIES; MULTIUSE FACILITIES FOR COMMUNICATIONS STATIONS; POWER UPGRADE FOR SPECIAL OPERATIONS FACILITIES; TAXIWAY, PAVEMENT AND CARGO PAD UPGRADE; A POL OPERATIONS FACILITY, A PETROLEUM OPERATIONS COMPLEX, AND HYDRANT FUEL SYSTEM PROJECTS; A FIRE STATION, A TELECOMMUNICATIONS CENTER, A SATELLITE COMMUNICATIONS FACILITY, AND RADIO TRANSMITTERS/RECEIVER PROJECTS; A TACAN AND AIRCRAFT INSTRUMENT LANDING/NAVIGATION FACILITIES; AN ALERT HANGAR ALTERATION; ADDITION/ALTERATION OF A SPECIAL OPERATIONS COMPLEX AND SQUADRON OPERATIONS FACILITIES; ADDITION TO A COMPUTER OPERATIONS CENTER; A TECHNICAL PHOTOGRAPHIC LABORATORY ALTERATION; BASE DEFENSE FACILITIES (COMMANDO BEAD); AND A CONTROL TOWER. PROJECTS ALSO INCLUDED ARE: $313.4 MILLION TO UPGRADE/CONSTRUCT RDF FACILITIES AT EGYPT, OMAN, DIEGO GARCIA, AND LAJES AB, PORTUGAL; $69.1 MILLION FOR GROUND LAUNCHED CRUISE MISSILE (GLCM) FACILITIES AT VARIOUS LOCATIONS, EUROPE; $47.0 MILLION FOR MINIMAL ESSENTIAL FACILITIES AND CHEMICAL WARFARE PROTECTION AT VARIOUS LOCATIONS IN EUROPE; $102.3 MILLION FOR AIR LAUNCHED CRUISE MISSILE (ALCM) SUPPORT FACILITIES AT VARIOUS LOCATIONS IN STRATEGIC AIR COMMAND; $6.9 MILLION TO ADD TO AND ALTER A B-52 ALERT COMPLEX AT GRIFFIS AFB, NY; $40.3 MILLION FOR MINIMALLY ATTENDED RADAR (PHASE I) AT VARIOUS LOCATIONS IN ALASKAN AIR COMMAND; $4.4 MILLION FOR SHELTERS AT KADENA AB, JAPAN AND $9.5 MILLION FOR SHELTER DOORS AT OSAN AB, KOREA; $14.0 MILLION TO ADD TO AND ALTER THE AEROSPACE DATA FACILITY AT BUCKLEY ANGB, CO; $6.5 MILLION FOR A MISSION CONTROL CENTER AT SUNNYVALE AFS, CA; $13.7 MILLION TO RELOCATE A RECONNAISSANCE TECHNICAL GROUP AT RAMSTEIN, GERMANY; AND $6.9 MILLION FOR AN ADDITION/ALTERATION TO A RED FLAG OPERATIONS FACILITY AT NELLIS AFB, NV.

TRAINING $36.4

TRAINING FACILITIES INCLUDED IN THIS CONSTRUCTION PROGRAM ARE FLIGHT SIMULATOR TRAINING FACILITIES AT $23.8 MILLION FOR SIX LOCATIONS WITHIN THE U.S. AND $.7 MILLION FOR SPANGDAHLEM AB, GERMANY; A MARKSMANSHIP TRAINING FACILITY AT LACKLAND AFB, TX, FOR $2.2 MILLION; ALTERATION OF COMPUTER TECHNICAL TRAINING FACILITIES AT KEESLER AFB, MS, FOR $.9 MILLION; A FIELD TRAINING FACILITY ALTERATION AT ELMENDORF AFB, AK, FOR $.8 MILLION; A FIELD TRAINING FACILITY AT MACDILL AFB, FL, FOR $2.6 MILLION; AND GROUND LAUNCHED CRUISE MISSILE (GLCM) TRAINING FACILITIES (PHASE II) AT DAVIS-MONTHAN AFB, AZ, FOR $5.4 MILLION.

MAINTENANCE $76.7

THE MAINTENANCE CATEGORY CONTAINS FACILITIES FOR COPE THUNDER SUPPORT (PACAF PROGRAM FOR REALISTIC AIRCREW TRAINING), OSH PROJECTS, VARIOUS AIRCRAFT MAINTENANCE, SUPPORT AND STORAGE PROJECTS, A GLIDER HANGAR, ENGINE INSPECTION AND REPAIR, AND AN ORGANIZATIONAL MAINTENANCE SHOP. IT ALSO CONTAINS FACILITIES FOR FUEL SYSTEM MAINTENANCE, SOUND SUPPRESSOR SUPPORT; AUTOMOTIVE AND MUNITION MAINTENANCE; AVIONICS AND ELECTRONICS COUNTERMEASURES (ECM) POD PROJECTS; A SUPPORT EQUIPMENT SHOP; INDOOR ANTENNA TESTING, ELECTRONIC EQUIPMENT MAINTENANCE SUPPORT (PAVE TACK), AN ADDITION TO A PRECISION MEASUREMENT EQUIPMENT LAB; AND PROJECTS FOR CENTRALIZED AIRCRAFT SUPPORT SYSTEMS. PROJECTS ALSO INCLUDED ARE: $4.7 MILLION FOR AIRCRAFT SUPPORT FACILITIES (COMMANDO FALCON) AT KADENA AB, JAPAN; A CLEAN AND PAINT FACILITY AT ROBINS AFB, GA, FOR $5.4 MILLION; HARDENED LOGISTICS FACILITIES AT VARIOUS LOCATIONS IN EUROPE FOR $6.4 MILLION; AND VARIOUS AIRCRAFT MAINTENANCE/OPERATIONAL FACILITIES AT DAVIS-MONTHAN AFB, AZ, FOR $5.0 MILLION.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION $404.3

$345.5 MILLION OF THIS YEAR'S $404.3 MILLION PROGRAM IS IN SUPPORT OF THE M-X WEAPON SYSTEM. $332.6 MILLION IS FOR M-X OPERATIONAL FACILITIES IN SOUTHWEST CONUS AND $12.9 MILLION IS FOR HORIZONTAL PROTECTIVE STRUCTURES AT VANDENBERG AFB, CA. ANOTHER LARGE PORTION OF THIS CATEGORY IS DEVOTED TO PROJECTS FOR THE SPACE TRANSPORTATION SYSTEM WITH $19.9 MILLION FOR VARIOUS FACILITIES AT VANDENBERG AFB, AND $18.0 MILLION FOR A ROCKET BOOSTER DISASSEMBLY FACILITY AT PORT HUENEME, AND $.3 MILLION FOR SECURITY MEASURES AT GODDARD SPACE FLIGHT CENTER. OTHER PROJECTS ARE AN ADDITION AND ALTERATION TO A BIOTECHNOLOGY LABORATORY FOR $5.5 MILLION AND A SYSTEMS MANAGEMENT ENGINEERING FACILITY FOR $8.3 MILLION AT WRIGHT-PATTERSON AFB, OHIO; AND AN R&D COMPUTER COMPLEX FOR $6.8 MILLION AT KIRTLAND AFB, NEW MEXICO.

SUPPLY FACILITIES	$22.8

THIS CATEGORY INCLUDES: JET FUEL STORAGE FACILITY PROJECTS AT KADENA AB, JAPAN FOR $7.0 MILLION; KUNSAN AB, KOREA, FOR $3.1 MILLION, AND KWANG-JU, KOREA, FOR $6.7 MILLION; PROJECTS FOR MUNITIONS STORAGE AT EGLIN AFB, FL FOR $1.7 MILLION; AND WELFORD RAF, UK (FOR UPGRADE) AT $2.9 MILLION; AND FOR MUNITIONS HOLDING AT EIELSON AFB, AK FOR $.2 MILLION; AND AN ADDITION TO COLD STORAGE AT INCIRLIK CDI, TURKEY FOR $1.2 MILLION.

MEDICAL FACILITIES	$110.1

THIS YEAR'S PROGRAM INCLUDES: AN ALTERATION OF A BASE HOSPITAL (OSH), AT SHEPPARD AFB, TX, FOR $4.0 MILLION; A LIFE SAFETY/UPGRADE MEDICAL FACILITY AT TRAVIS AFB, CA, FOR $3.8 MILLION; AND AN ADDITION/ALTERATION TO A COMPOSITE MEDICAL FACILITY AT WRIGHT-PATTERSON AFB, OH FOR $102.3 MILLION.

ADMINISTRATIVE FACILITIES	$62.7

THIS YEAR'S PROGRAM INCLUDES: DATA PROCESSING FACILITY PROJECTS AT 31 LOCATIONS FOR $30.0 MILLION TO ACCOMMODATE THE NEW PHASE IV COMPUTER; A CONSOLIDATED SUPPORT CENTER AT LANGLEY AFB, VA, FOR $7.2 MILLION; A CONSOLIDATED BASE PERSONNEL OFFICE AT REESE AFB, TX, FOR $2.5 MILLION; AN ADDITION/ALTERATION TO MAINTENANCE CONTROL/WING HEADQUARTERS FACILITIES AT HOLLOMAN AFB, NM, FOR $1.6 MILLION; A TRAFFIC MANAGEMENT FACILITY AT KUNSAN AB, KOREA, FOR $1.5 MILLION; AND M-X SUPPORT COMPLEX AT NORTON AFB, CA, FOR $11.0 MILLION; AND AN RDJTF HEADQUARTERS AT MACDILL AFB, FL, FOR $9.0 MILLION.

PERSONNEL HOUSING	$64.3

THIS CATEGORY CONTAINS MODERNIZATION AND NEW CONSTRUCTION PROJECTS IN RECOGNITION OF A CONTINUING NEED TO PROVIDE SUITABLE LIVING ACCOMMODATIONS FOR AIR FORCE PERSONNEL. INCLUDED ARE CONSTRUCTION OF 1,872 NEW UNACCOMPANIED ENLISTED PERSONNEL SPACES AT 6 LOCATIONS FOR $29.2 MILLION; AND MODERNIZATION OF 3,889 EXISTING UNACCOMPANIED ENLISTED PERSONNEL SPACES AT 12 LOCATIONS FOR $35.1 MILLION.

COMMUNITY	$23.5

INCLUDED ARE A DINING HALL AT ANDREWS AFB, MD, FOR $3.8 MILLION; A COMPOSITE SUPPORT FACILITY AT KING SALMON AP, AK, FOR $6.9 MILLION; A CHAPEL CENTER AT RAF LAKENHEATH, UNITED KINGDOM, FOR $1.6 MILLION; GYMNASIUMS AT WRIGHT-PATTERSON AFB, OH, FOR $2.4 MILLION; AND CAMP NEW AMSTERDAM, NETHERLANDS FOR $3.6 MILLION; A LIBRARY AT

DOVER AFB, DE, FOR $1.2 MILLION; AND PERSONNEL SUPPORT FACILITIES AT VARIOUS LOCATIONS IN TURKEY FOR $4.0 MILLION.

UTILITIES $36.8

THIS YEAR'S PROGRAM INCLUDES: 6 PROJECTS AT 6 LOCATIONS FOR ELECTRICAL DISTRIBUTION SYSTEMS FOR $10.2 MILLION, WHICH INCLUDES A PROJECT AT TINKER AFB, OK, FOR $5.5 MILLION; HEATING PLANT FUEL OIL STANDBY AT OFFUTT AFB, NE, FOR $.5 MILLION; A WATER SUPPLY TREATMENT AND STORAGE FACILITY AT OSAN AB, KOREA, FOR $3.8 MILLION; A WATER SUPPLY SYSTEM AT RAF WOODBRIDGE, UNITED KINGDOM, FOR $2.8 MILLION; A WATER WELL AT DOVER AFB, DE, FOR $.3 MILLION; AND A WATER TREATMENT FACILITY AT SAN VITO AS, ITALY, FOR $.9 MILLION; $1.3 MILLION FOR ROADS AND UTILITY SUPPORT AT BOLLING AFB, D.C.; ELECTRICAL POWER IMPROVEMENTS AT NORAD, CO, FOR $11.0 MILLION AND OSAN AB, KOREA, FOR $2.9 MILLION; AND A $3.0 MILLION PROJECT AT THE PENTAGON TO IMPROVE THE ELECTRIC POWER AT THE NATIONAL MILITARY COMMAND CENTER.

POLLUTION $6.4

THIS CATEGORY CONTAINS THREE WATER POLLUTION PROJECTS AT 3 LOCATIONS FOR $6.4 MILLION. IT INCLUDES PROJECTS AT ELLSWORTH AFB, SD, FOR $3.4 MILLION; SEYMOUR-JOHNSON AFB, NC, FOR $1.5 MILLION AND WURTSMITH AFB, MI, FOR $1.5 MILLION.

ENERGY $56.0

THIS YEAR'S PROGRAM INCLUDES A WIDE RANGE OF PROJECTS TO SUPPORT THE HIGH PRIORITY NATIONAL POLICY OF ENERGY CONSERVATION AND THE LONG-RANGE GOAL TO REDUCE OUR DEPENDENCE ON DWINDLING AND COSTLY FOSSIL FUELS. WE HAVE INCLUDED ENERGY CONSERVATION INVESTMENT PROGRAM (ECIP) PROJECTS TOTALLING $48.0 MILLION TO IMPROVE HEATING, VENTILATING, AIR CONDITIONING, AND LIGHTING SYSTEMS; FOR WEATHERIZATION; BOILER PLANT MODIFICATIONS; STEAM AND CONDENSATE SYSTEMS; ENERGY MONITORING AND CONTROL SYSTEMS (EMCS); SOLAR; ENERGY RECOVERY SYSTEMS; AND A PROJECT FOR ENERGY TECHNOLOGY INITIATIVES, PHASE II, AT MCCLELLAN AFB, CA, FOR $8.0 MILLION.

REAL ESTATE $22.3

THIS CATEGORY INCLUDES THREE AIR INSTALLATION COMPATIBLE USE ZONE (AICUZ) PROJECTS INCLUDING CARSWELL AFB, TX, FOR $0.4 MILLION; NORTON AFB, CA, FOR $9.0 MILLION; AND RANDOLPH AFB, (SEGUIN AUXILIARY FIELD) TX, FOR $2.4 MILLION; A LAND ACQUISITION/DROP ZONE AT LITTLE ROCK AFB, AR, FOR $.8 MILLION; M-X REAL ESTATE ACQUISITION IN

SOUTHWEST CONUS FOR $9.5 MILLION; AND LAND ACQUISITION (PERPETUAL EASEMENT) AT BERGSTROM AFB, TX, FOR $.2 MILLION.

SUPPORT $508.3

THIS YEAR'S PROGRAM INCLUDES: $245.5 FOR PLANNING AND DESIGN, WHICH INCLUDES $146.3 FOR M-X DESIGN AND $10 MILLION FOR M-X COMMUNITY ASSISTANCE PLANNING AND DESIGN, AND $11.7 FOR RDJTF FACILITIES DESIGN; $242.5 FOR MILITARY CONSTRUCTION FUND SHORTFALL; $17.8 MILLION FOR EXIGENT MINOR CONSTRUCTION AT VARIOUS LOCATIONS, WHERE EACH PROJECT COST DOES NOT EXCEED $500,000; $2.0 MILLION FOR DEFENSE ACCESS ROADS AT VARIOUS LOCATIONS; AND $.5 MILLION FOR MINOR LAND ACQUISITION.

SUPPLEMENTAL REQUEST

Senator SASSER. Just a few brief questions, General Wright. As you are aware, the subcommittee is completing consideration of the fiscal year 1981 supplemental. Now included in the Air Force budget was a request for $50 million for planning, design, and support of the Rapid Deployment Force. Now using the 7-percent average of project costs of design we would have thought you would be requesting over $425 million worth of projects from this request.

Now, would you give the subcommittee some detail on the $50 million request. And also can you obligate this amount of money with less than one-quarter of the fiscal year remaining?

General WRIGHT. Sir, the $20 million cut that we took impacts primarily the fiscal year 1983 program related to the Rapid Deployment Joint Task Force. Those funds primarily were earmarked to enable us to bring to a 35-percent design status the 1983 program before we bring it to the Congress next year.

I cannot answer right offhand exactly whether or not we can obligate this year. Mrs. Cople is here.

Mrs. COPLE. I don't have the backup with me.

General WRIGHT. Sir, let me provide that for the record. I feel confident that we can, but before I make a flat statement I would like to provide that. There was another part to that question that I think I failed to answer.

[The information follows:]

FUNDING OBLIGATION

We expect to obligate approximately $25 million of the $50 million in fiscal year 1981. The remainder will be needed in the first and second quarters of fiscal year 1982 for continuation and completion of the fiscal years 1982 and 1983 designs. The $50 million we have requested in the fiscal year 1981 supplement represents about 75 percent of the fiscal year 1981 thru fiscal year 1983 RDF design requirements. Since only $12 million of planning and design is included in the fiscal year 1982 MILCON for RDF, any reduction will delay the design completion of the fiscal years 1982 and 1983 programs, unless additional planning and design funds are included in the fiscal year 1982 MILCON.

In response to your other question, we use a factor of 8½ percent for the Southwest Asia Region. Using that figure, the $50 million request would indicate a construction amount of $425 million. That total reflects the completion of the fiscal years 1981 and 1982 MCPs as well as start of the fiscal year 1983 program. The total fiscal years 1981 through fiscal year 1983 construction requirement totals $770 million.

The actual design requirement for the fiscal years 1981 through 1983 programs is over $65 million.

DESIGN PROJECT COSTS

Senator **SASSER**. I think we were asking, if you are using the average of 7 percent of project cost for design, why aren't you asking for over $425 million?

General **WRIGHT**. In that part of the world our A/E, or architect/engineer cost estimates are higher than 7 percent. We are using an 8½-percent factor to develop our A/E cost requirements, if I have answered the question.

Senator **SASSER**. I am not sure I have asked it correctly.

General **WRIGHT**. I am not sure I have answered the question either.

AERO PROPULSION SYSTEMS TEST FACILITY

Senator **SASSER**. Tell the subcommittee about the status of the aero propulsion systems test facility at Arnold Engineering Development Center in Tennessee. Now this project, as you have testified earlier, was approved in fiscal year 1977 and has experienced some large cost growth. The fiscal year 1982 request includes $65 million for the facility under your shortfall request for prior projects.

Now, I have got personal interest of course in this facility in my home State, but the subcommittee needs information on the record to approve such a substantial request.

General **WRIGHT**. Mr. Chairman, as you know, that project was approved in fiscal year 1977 at $437 million. About 8 months ago we began to detect some problems that were surfacing with regard to interface of Government-furnished equipment with the brick and mortar portion of the contract.

Decisions were made early in the program to purchase large pieces of very unique equipment that are one of a kind, large compressors and large valves that are not off the shelf and pull that money out of the construction program and buy them separately and then provide that to the construction contractor as Air Force Government-furnished equipment for installation.

We were in effect proceeding on a dual track. We were designing and constructing the facility and we were buying the equipment at the same time.

Some of the assumptions made on the interface of equipment proved not to be accurate and those were good assumptions. Somebody had to make a decision and a baseline had to be established. But we find now as we begin to make a lot of this very unique and very sophisticated equipment with the facility there are some problems. Part A doesn't fit part B. This is really a lot of the problem. We had some design deficiencies that we are attempting to correct that compound this interface problem.

Last January the commander of the Air Force Systems Command sent a special team into Arnold to review the whole situation. Their report has not completely been put together yet. However, preliminary indications are that we do have a very serious problem and it will impact the dollars available to complete the job in the schedule.

As we begin to work this we will of course provide whatever information you would like. It is preliminary right now, Mr. Chairman. I am not trying to sidestep the issue becasue I feel very strongly we should come forthright when we have a problem and lay it on the table with you and that is what we want to do.

We are not exactly sure how many dollars we are going to need in 1982. We are able to keep the contractor moving through fiscal year 1981, the remainder of this fiscal year, by taking dollars out of our Air Force program to buy out the contract. We certainly can't shut a job of that size down. We have got to keep it moving. It would be devastating to shut it down.

So we feel as though we can accommodate it through fiscal year 1981. But in 1982 we are going to need additional money and we are not sure how much. The problem is big.

[The information follows:]

Cost Overrun Potential

Since November 1980, when the potential cost overrun was initially identified, the AF has established a program management assistance group for an in-depth evaluation of the project and estimated cost to completion. Meanwhile, the Air Force and Army Corps of Engineers project managers have identified the additional funding requirements during fiscal year 1981 and fiscal year 1982 to allow construction to continue on the current schedule, predicated on the identified and potential changes anticipated thru fiscal year 1982. That was the basis for both the fiscal year 1982 request and a forthcoming reprogramming request for fiscal year 1981. The remaining funding requirements will be included in the fiscal year 1983 budget. A more detailed explanation and justification of the cost increase will be provided with the 1981 reprogramming request. The Air Force is also processing a request within the DOD to augment the fiscal year 1982 shortfall package by $58 million for ASTF. The $58 million is currently contained in the fiscal year 1982 MCP for an unrelated classified project which has been accelerated to the fiscal year 1981 supplemental.

SPACE SHUTTLE CONSTRUCTION PROGRAM

Senator **Sasser**. With regard to the Space Shuttle construction program, this subcommittee has approved some $364 million through direct appropriation and reprograming. You are requesting an additional $38 million in the fiscal year 1982 request. What is the status of construction at Vandenberg Air force Base and has the date for the initial operational capability been slipped because of the construction problems?

General **Wright**. Sir, things are going very well on this program of late.

I would like to ask Colonel Bozarth, if I may, to help me with that answer.

Colonel **Bozarth**. The 1979 and the 1980 program are all under contract, all of the projects approved in those fiscal years are under contract. For the 1981 program they had three large projects at Vandenberg and one at Cape Canaveral. The three at Vandenberg we have opened bids on and they have all bid within the approved amount or on the approved amount. We have had very good bids on those. The one at Cape Canaveral we will advertise for bids late this month, late in May.

OVERRUN FOR LAUNCH COMPLEX

The only one we have had trouble with is the launch complex. We had to submit the overrun. The others have all come in on or below the amount appropriated. As far as the individual construction status, we can provide that for the record if that is what you want, as to how much completed we are on each one.

[The information follows:]

STS CONSTRUCTION STATUS

[in millions of dollars]

Fiscal year, location, and project title	PA	Current CWE	Status
1979—Canaveral: Payload processing facilities:			
Modifications for inertial upper stage	8.4	6.7	Complete.
Mobile air lock park site	.4	0	Satisfied by spacecraft integration facility in fiscal year 1981 MCP.
Subtotal	8.8	6.7	
1979-80—Vandenberg: Launch pad complex/thrust augmentation:			
Excavation/demolition	4.8	4.8	Complete.
Launch pad with thrust augmentation	73.9	127.6	30 percent complete.
Launch control center	4.0	6.5	75 percent complete.
Mobile service tower/payload changeout room	35.5	61.7	5 percent complete.
Subtotal	118.2	200.6	
1980—Vandenberg: Titan III relocation	3.2	2.9	Complete.
1980—Vandenberg: Orbiter processing:			
Orbiter maintenance and check facility	37.5	39.9	50 percent complete.
Hypergolic maintenance and checkout facility	5.5	6.5	15 percent complete.
Subtotal	43.0	46.4	
1980—Vandenberg: Utilities:			
Electrical	4.5	3.7	50 percent complete.
Civil	1.6	.9	30 percent complete.
Subtotal	6.1	4.6	
1980—Johnson: Operations center modifications	8.9	6.8	35 percent complete.
1981—Vandenberg: Airfield facilities:			
Airfield	29.6	22.6	Bids opened—contracts being awarded.
Orbiter lifting frame	.3	.5	Do.
Subtotal	29.9	23.1	
1981—Vandenberg: Solid rocket booster/external tank facilities	32.4	32.4	2 percent complete.

STS CONSTRUCTION STATUS—Continued

[in millions of dollars]

Fiscal year, location, and project title	PA	Current CWE	Status
1981—Vandenberg: Logistics/support facilities:			
Logistics facilities	7.8	6.1	Bid open—contracts being awarded.
Transportation	6.1	6.1	Do.
Subtotal	13.9	12.2	
1981—Canaveral: Spacecraft integration/security modifications:			
Spacecraft integration facility	17.4	19.6	97 percent designed—IFB late May/early June.
Security modifications	4.9	2.7	50 percent designed—IFB late May/early June.
Subtotal	22.3	22.3	

Senator SASSER. How about the first launch from Vandenberg, is that on schedule?

General WRIGHT. Sir, may I ask Colonel Jacoby to talk to that. He is the Shuttle program element manager in the air staff.

Colonel JACOBY. Yes, sir. We are still targeting for an October 1984 defense launch which will be the first launch from Vandenberg. Our current IOC target for Vandenberg is August 1984. It is based on the construction program statement and that does support that launch.

Senator SASSER. Thank you.

What part of your $2.2 billion request is for real growth and what part is for inflation?

General WRIGHT. I will have to dig some numbers up there, Mr. Chairman. Do we have that available?

Major CIROLLO. A large portion of the increase, if you are referring to last year's program, a large portion of the increase is due to roughly $520 million in the MX.

General WRIGHT. Mr. Chairman, may I provide that for the record because you have to look at what I would call the typical or the normal Air Force military construction program. As Major Cirillo says, that is impacted significantly by the MX this year. But I would have to look at the inflation factors that are being used and then balance that out.

[The information follows:]

FISCAL YEAR 1981 MCP

Our approved fiscal year 1981 MCP was $861 million. Using the current administration's inflation rate of 6.8 percent increase from fiscal year 1981 to fiscal year 1982, the program for fiscal year 1982 MCP would be approximately $920 million using only inflationary growth. Thus, the real program growth would be approximately $1.3 billion which can be accounted for by major increases such as M-X (+$400 million), MILCON Shortfall (+$242 million), and RDF (+$300 million).

USE OF INFLATION FACTORS

Senator SASSER. What inflation factor are you using in estimating your requirements, General?

General **Wright**. The new administration figure is 6.8 percent this year, sir.

Senator **Sasser**. 6.8 percent. Have bids on the fiscal year 1981 program indicated a downturn in inflation?

General **Wright**. Sir, by and large we are seeing a very healthy, in our view, bidding climate. A lot of our projects are coming in below the programed amount which indicates that the contractors are sharpening their pencils and the competition is very fierce. We are very encouraged by what we see today.

Senator **Sasser**. Flight simulator buildings encompass $24.5 million of your request. Does the Air Force have simulators for all of its aircraft or do you request these facilities for training bases only?

General **Wright**. Sir, I believe that we do have simulators for all of our aircraft. I will have to verify that.

Colonel Hess, am I right?

Colonel **Hess**. Sir, all our major aircraft have simulator buildings but some of the smaller ones do not. The ones that are in our program are major weapon systems, first-line weapon systems, which comprise mostly the new simulator facilities for the B-52 system that is coming on line, but there are some weapon systems that do not have the simulator.

Senator **Sasser**. The Air Force recently decided against a particular simulator, didn't it, because of simulator cost?

General **Wright**. Let me see if I can talk to that and you help me, Colonel Hess. This is the A-10 simulator I believe, sir.

Senator **Sasser**. I thought it was F-16.

General **Wright**. Can you talk to this?

Colonel **Hess**. Yes, sir, I can explain a little bit in general terms. The decision in the Air Force about the use of visual simulators was recently reviewed as late as last year and a decision was made because of the technology that is currently available that we wouldn't get these systems to meet our training needs in the timeframe we are talking about. So we made a decision not to purchase full simulator visual capable systems. I think that is what you are referring to. We will provide additional information on that, sir.

[The information follows:]

Simulator Program

Yes, the Air Force did cancel a simulator program. The name of the cancelled project was "The Tactical Combat Trainer (TCT)." TCT was cancelled because of cost increase, schedule stretchout and technical risk. The project was originally envisioned to be a four year $40 million effort with prototype delivered in fiscal year 1982. After the last project restructuring, it had become a seven year $90 million effort with prototype delivered in fiscal year 1985. Additionally, one of the two competing contractors had failed to meet Air Force specifications during the critical design review and had in effect been sent "back to the drawing board." The TCT was to be a visual system for the F-15, F-16 and A-10 cockpits. Buildings for these weapons systems were designed to house two cockpits. The program called for a visual system to be added later which would connect both cockpits so that such tasks as formation flying, and air to air and air to ground maneuvers could be practiced. After a reevaluation of the cockpit training requirements, without a visual system, it was concluded that only one cockpit per operational base and two cockpits per training base were needed. In most cases, buildings built to house two cockpits now contain only a single cockpit. The extra bay is generally used for maintenance and/or storage. At Davis-Monthan AFB, the construction was well underway for a facility to house the programed third and fourth cockpits. It is being completed since termination costs would exceed completion costs. The building will be completed and used as a security policy operations facility. At England AFB, the new simulator building was cancelled and an existing building modified to house one A-10 cockpit.

PHASE IV COMPUTER SYSTEM

Senator SASSER. All right. Thank you.

The Air Force is requesting projects to house the phase IV computer system. Would you explain this system to the committee? As I understand it, we are updating what is presently two systems into one. Why are we then building new facilities?

General WRIGHT. The systems that we are replacing, sir, are the base-level management systems that we have had onboard for many years in the Air Force and they are just old, obsolete, and outdated equipment. These are the computers that we used to manage our entire base supply system, our logistics support system, and our base management and personnel activities. We are going into an updated mode, if you will, in this area.

Many of the facilities that we are using are upgraded and improved existing buildings on Air Force bases. However, we are required to construct new in some instances. Some of the projects that we are bringing before the Congress are not only for new construction but for upgrade of existing buildings. We are able to house a lot of the new equipment in our existing data automation centers.

PREPARED STATEMENT

Senator SASSER. Well thank you, General Wright. You and your staff have been very helpful to the subcommittee. We will insert your prepared statement at this point in the record.

[The statement follows:]

PREPARED STATEMENT OF BRIG. GEN. CLIFTON D. WRIGHT

DEPUTY DIRECTOR OF ENGINEERING AND SERVICES

U. S. AIR FORCE

MR. CHAIRMAN, IT IS A PLEASURE TO APPEAR BEFORE THIS COMMITTEE TO PRESENT OUR FISCAL YEAR 1982 PROGRAM. I BROUGHT WITH ME SOME OF THE MORE KNOWLEDGEABLE PEOPLE ON THE AIR STAFF TO ADDRESS SPECIFIC PROJECTS AND PROGRAMS THAT ARE IN THE APPROPRIATIONS REQUEST FOR FISCAL YEAR 1982. I HOPE WE CAN BE TOTALLY RESPONSIVE TO ALL QUESTIONS FROM THE COMMITTEE.

THIS YEAR'S REQUEST CONSISTS OF PROJECTS THROUGHOUT THE UNITED STATES AND OVERSEAS TOTALLING OVER $2.2 BILLION. IT BUILDS ON PROGRAMS WE HAVE PRESENTED IN THE PAST AND IT ALSO INCLUDES THE START OF NEW PROGRAMS, SOME OF WHICH WILL CONTINUE IN THE FUTURE.

I WOULD BRIEFLY LIKE TO HIGHLIGHT A FEW OF THE LARGER AND MORE IMPORTANT PROGRAMS AND PROJECTS AT THIS TIME.

SPACE TRANSPORTATION SYSTEM

THIS IS THE FOURTH YEAR WE ARE REQUESTING FUNDS IN SUPPORT OF THE NATIONAL SPACE TRANSPORTATION SYSTEMS (STS). OVER THE PAST THREE YEARS, THIS COMMITTEE HAS APPROPRIATED $286.7 MILLION FOR SHUTTLE RELATED PROJECTS AT VANDENBERG AFB AND PORT HUENEME NAVAL AIR STATION IN CALIFORNIA; THE JOHNSON SPACE CENTER, TEXAS; AND CAPE CANAVERAL AFS, FLORIDA AND APPROVED THE REPROGRAMMING OF $77.4 MILLION TO COVER LAUNCH COMPLEX COST OVERRUNS AT VANDENBERG. THUS, THE TOTAL FUNDING APPROVED BY THIS COMMITTEE FOR THE STS IS $364.1 MILLION.

OUR $38.2 MILLION APPROPRIATION REQUEST FOR STS THIS YEAR INCLUDES $19.9 MILLION FOR INDUSTRIAL, MISSION PLANNING, AND SUPPORT FACILITIES AT VANDENBERG AFB, CALIFORNIA; $18.0 MILLION FOR SOLID ROCKET BOOSTER RETRIEVAL AND DISASSEMBLY FACILITIES AT PORT HUENEME, CALIFORNIA; AND $300 THOUSAND FOR PHYSICAL PROTECTION OF CLASSIFIED DATA USED IN DOD MISSIONS AT THE GODDARD SPACE CENTER, MARYLAND.

THE STS PROGRAM IS DIRECTED TOWARDS AN INITIAL OPERATIONAL CAPABILITY DATE (IOC) AT VANDENBERG, OF AUGUST 1984. THE FISCAL YEAR 1982 PROGRAM SHOULD ESSENTIALLY COMPLETE THE CONSTRUCTION REQUIRED TO PRO-

VIDE AN INITIAL CAPABILITY OF ABOUT TEN LAUNCHES PER YEAR. A POSSIBLE EXCEPTION IS A THERMAL PROTECTION SYSTEM FACILITY IN FISCAL YEAR 1983 TO MANUFACTURE, PROCESS, AND STORE ORBITER THERMAL PROTECTION TILES. THE NEED FOR THIS FACILITY IS NOW BEING EVALUATED. IN FUTURE YEARS, WE WILL REQUEST FACILITIES TO IMPLEMENT THRUST AUGMENTATION AND INCREASE THE LAUNCH RATE AT VANDENBERG TO A MAXIMUM OF 20 A YEAR. I HAVE SEVERAL SLIDES SHOWING THE MAJOR FACILITIES WE ARE REQUESTING IN THE 82 PROGRAM. THE FIRST IS FOR WORK TO DREDGE A COVE AND CONSTRUCT A DOCK AND ROAD AT VANDENBERG. THIS IS REQUIRED TO RECEIVE THE LARGE EXTERNAL TANK THAT COMES BY BARGE FROM THE MANUFACTURER IN LOUISIANA. THE TANK IS THEN TOWED OVER THE ROAD TO THE LAUNCH FACILITY. THE SECOND SLIDE SHOWS A CUTAWAY OF THE PARACHUTE REFURBISHMENT SHOP. THIS IS WHERE THE CHUTES THAT BRING DOWN THE REUSABLE SOLID ROCKET BOOSTERS ARE TAKEN AND MADE READY FOR ANOTHER LAUNCH. THE THIRD SLIDE SHOWS THE BUILDING WE WILL MODIFY FOR FLIGHT CREW QUARTERS AND LIFE SUPPORT EQUIPMENT STORAGE. THE NEXT TWO SLIDES SHOW THE INTEGRATED OPERATIONS SUPPORT CENTER AND SYSTEMS MANAGEMENT AND ENGINEERING FACILITY WHICH ARE REQUIRED TO MANAGE THE STS PROGRAM, ACCOMPLISH MISSION PLANNING, AND MANAGE THE WESTERN TEST RANGE. THE LAST SLIDE ILLUSTRATES THE FACILITIES AT PORT HUENEME FOR UNLOADING AND DISASSEMBLING SOLID ROCKET BOOSTERS. THE SOLID ROCKET BOOSTERS PARACHUTE INTO THE OCEAN AFTER A LAUNCH, ARE RECOVERED, AND TAKEN TO PORT HUENEME. AT PORT HUENEME THE BOOSTERS ARE DISASSEMBLED. THE ENGINES ARE RETURNED TO VANDENBERG WHILE FUEL CELLS ARE RETURNED TO THE MANUFACTURER FOR REPACKING.

M-X

THE NEXT SUBJECT IS M-X. THIS IS THE THIRD YEAR WE HAVE COME BEFORE THIS COMMITTEE FOR M-X CONSTRUCTION FUNDING. IN FY 80 THE CONGRESS PROVIDED $57 MILLION TO CONSTRUCT TEST FACILITIES AT VANDENBERG AFB, CA AND $5.4 MILLION WAS APPROVED FOR ALTERATION OF ENGINE TEST CELLS AT ARNOLD ENGINEERING DEVELOPMENT CENTER, TENN. TO ALTITUDE TEST MOTORS FOR THE MISSILE. CONSTRUCTION IS WELL UNDERWAY ON BOTH ITEMS. IN FY 81 AN ADDITIONAL $17.1 MILLION WAS AUTHORIZED FOR FURTHER TEST FACILITIES AT VANDENBERG.

THIS YEAR WE ARE REQUESTING $366.0 MILLION FOR M-X SUPPORT FACILITIES AND $156 MILLION FOR DESIGN. THIS SUBMISSION IS KEYED TO A BASING DECISION THIS SUMMER. MR CHAIRMAN, WITH YOUR PERMISSION I WOULD LIKE TO SHOW YOU TWO SLIDES THAT PRESENT AN OVERVIEW OF THE 82 REQUEST AND DEFER OUR MORE DETAILED PRESENTATION

ON THE SYSTEM RELATED CONSTRUCTION AND IMPACT ASSISTANCE PLANNING UNTIL THE MX HEARING LATER THIS MONTH. GENERALLLY SPEAKING THE PROGRAM INCLUDES SITE DEVELOPMENT WORK, MOBILIZATION FACILITIES, OPERATIONAL BASE TEST SITE CONSTRUCTION, REAL ESTATE, THE SUPPORT COMPLEX AT NORTON AND FUNDS FOR THE PURCHASE OF SELECTED LONG LEAD TIME MATERIALS.

TIMELY EXECUTION OF THE FY 82 MCP AS CURRENTLY CONCEIVED IS CRUCIAL TO MEETING THE SYSTEM IOC OF JULY 1986 AND TO STAY ON SCHEDULE WE MUST GET THESE PROJECTS DESIGNED AND UNDER CONSTRUCTION DURING FY 82. WE ARE, IN FACT, ALREADY BEHIND SCHEDULE ON SOME OF THIS WORK.

AIR LAUNCHED CRUISE MISSILE

THIS YEAR $102,208,000 IS INCLUDED FOR PROJECTS AT FOUR LOCATIONS TO ACCOMMODATE THE AIR LAUNCHED CRUISE MISSILE SYSTEM. MOST OF THE WORK IS FOR DATA AUTOMATION, AND MAINTENANCE AND STORAGE FACILITIES -- SOME IS NEW CONSTRUCTION AND SOME IS ALTERATION OF EXISTING FACILITIES. THE LOCATIONS ARE ELLSWORTH AFB, SOUTH DAKOTA, ($27.4 MILLION), BLYTHEVILLE AFB, ARKANSAS ($19.9 MILLION), CARSWELL AFB, TEXAS ($32.6 MILLION) AND FAIRCHILD AFB, WASHINGTON ($22.2 MILLION).

READINESS OVERSEAS

TURNING TO READINESS OVERSEAS - OUR BASING STRUCTURE IS A VITAL PART OF OUR READINESS EQUATION BECAUSE WE, UNLIKE THE OTHER SERVICES, WILL FIGHT FROM OUR FIXED MAIN OPERATING AND COLLOCATING OPERATING OVERSEAS BASES. WE MUST HAVE ADEQUATE RUNWAYS, HARDENED SHELTERS, HARDENED AND CHEMICALLY PROTECTED OPERATIONAL AND SUPPORT FACILITIES, AND PROTECTED STORAGE FOR WAR RESERVE MATERIALS. IN ADDITION TO THEIR DIRECT ROLE IN COMBAT SORTIE GENERATION, OUR FACILITIES PLAY AN IMPORTANT PART IN SUSTAINING THE MORALE OF OUR PEOPLE IN PEACETIME. MANY OF OUR PEOPLE, ESPECIALLY THE YOUNG ENLISTED MEMBERS, SPEND 24 HOURS A DAY ON OUR OVERSEAS BASES.

WE ARE VERY MUCH AWARE OF THE CONCERN OF CONGRESS REGARDING FACILITY BURDEN SHARING IN EUROPE AND THE PACIFIC. IN JAPAN AND KOREA, WE CONTINUE TO RECEIVE CONSIDERABLE HELP TO BEDDOWN NEW AIRCRAFT AS WELL AS FUNDING SUPPORT FOR PERSONNEL FACILITIES AND HOUSING. IN EUROPE WE CONSTANTLY PRESS FOR MORE NATO INFRASTRUCTURE FUNDS. HOWEVER, SOME FACILITIES WE ARE ASKING FOR THIS YEAR ARE NEEDED NOW -- BEFORE WE CAN OBTAIN NATO FUNDING -- TO PROPERLY

SUPPORT OUR FORCES. OUR PROGRAM ALSO ADDRESSES THOSE FACILITIES WHICH ARE VITAL TO SUPPORT THE RDJTF. THIS IS IN CONSONANCE WITH THE PRESIDENT'S STATED INTENTIONS OF PROVIDING ACCESSIBILITY TO THE OIL PRODUCING NATIONS OF THE AREA.

READINESS-EUROPE

MOVING NOW TO THE SPECIFICS OF THE PROGRAM, THE FIRST ITEM IS FOR PROJECTS TO SUPPORT THE GROUND LAUNCHED CRUISE MISSILE (GLCM) SYSTEM. LAST YEAR, IN THE FY 81 PROGRAM, THE CONGRESS APPROVED $19.0 MILLION TO PREFINANCE OPERATIONAL FACILITIES IN ENGLAND. THIS SLIDE PORTRAYS A TYPICAL NATO APPROVED GLCM OPERATIONAL SHELTER. THIS ONE SHOWS A TYPICAL SQUADRON THAT CONSISTS OF EIGHT FLIGHTS. IF STRUCK WITHOUT WARNING THE LAUNCHERS AND CONTROL CENTER VEHICLES WILL BE IN HARDENED SHELTERS TO RIDE OUT THE ATTACK. IF ADVANCED WARNING IS RECEIVED THE FLIGHTS WILL DISPERSE AS SHOWN ON THE RIGHT (G7). THIS NEXT SLIDE SHOWS THE GLCM IN A DISPERSED MODE (G3). THIS YEAR WE ARE PRESENTING THE FIRST PHASE OF NON-NATO ELIGIBLE PROJECTS SUPPORTING PEOPLE TO OPERATE THE SYSTEM. OUR REQUEST IS FOR $69 MILLION AT TWO LOCATIONS. AT RAF GREENHAM COMMON IN THE UNITED KINGDOM WE NEED $12.6 MILLION TO UPGRADE EXISTING BUILDINGS. THE REMAINDER OF THIS LINE ITEM, $56.5 MILLION, IS REQUIRED AT THE SECOND BEDDOWN LOCATION IN ITALY. THE SITE, AT A LOCATION YET TO BE ANNOUNCED, CAN PROVIDE THE LAND NEEDED FOR GLCM, BUT DOES NOT HAVE FACILITIES AVAILABLE FOR RENOVATION. WE WILL BE BUILDING FROM THE GROUND UP AT THIS SITE. OUR REQUEST IS ONLY FOR THE BASIC REQUIREMENTS THAT WILL BE NEEDED FOR BASE OPERATING SUPPORT FUNCTIONS. A SECOND PHASE FOR NON-NATO ELIGIBLE PROJECTS AT THIS SITE WILL BE IN A LATER MILITARY CONSTRUCTION REQUEST. OPERATIONAL FACILITIES ARE INCLUDED IN THE NATO INFRASTRUCTURE PROGRAM.

ANOTHER OF OUR HIGH PRIORITY PROJECTS IN EUROPE IS THE CONSOLIDATION OF UNITED STATES AIR FORCES IN EUROPE'S (USAFE) PHOTO INTELLIGENCE FUNCTIONS INTO ONE COMPOSITE FACILITY AT RAMSTEIN AIR BASE. THIS OPERATION IS NOW LOCATED IN A VULNERABLE OLD KASERNE AT SCHIERSTEIN, A SUBURB OF WEISBADEN, ABOUT 60 MILES EAST TOWARDS THE RHINE RIVER FROM USAFE HEADQUARTERS AT RAMSTEIN. INTELLIGENCE MATERIAL PROVIDED BY 497TH RECONNAISSANCE TECHNICAL GROUP AT SCHIERSTEIN IS VITAL TO EXECUTION OF THE AIR BATTLE IN THE EUROPEAN THEATER. AT THE PRESENT TIME, INTELLIGENCE FROM A NUMBER OF DIFFERENT SOURCES THAT HAS TO BE PROCESSED AND EXPLOITED BY THE

497TH IS TRANSPORTED FROM THE COMBAT OPERATION INTELLIGENCE CENTER (COIC) AT RAMSTEIN OVER ROAD BY COURIER 60 MILES TO SCHIERSTEIN, PROCESSED, THEN RETURNED BY COURIER TO THE COMMANDER AND HIS STAFF IN THE RAMSTEIN AREA FOR USE.

OUR PROGRAM ALSO INCLUDES AN INCREMENT OF PROJECTS FOR MINIMUM ESSENTIAL FACILITIES TO SUPPORT OPERATIONS AT COLLOCATED OPERATING BASES (COBS), AND FOR CHEMICAL WARFARE (CW) PROTECTION FOR SQUADRON OPERATIONS BUILDINGS AND AVIONICS SHOPS AND WORK TO HARDENED KEY LOGISTICS FACILITIES. THE COB PROGRAM, INITIATED IN THE EARLY 1970'S, PROVIDES FOR THE AIR FORCE, A SERIES OF STRATEGICALLY LOCATED AIR BASES FOR A RELATIVELY SMALL DOLLAR INVESTMENT. THIS SLIDE SHOWS THE GENERAL LOCATION OF COBS (UNCLASSIFIED VERSION). THERE ARE 73 BASES IN ALL. IT WILL TAKE MANY YEARS AND MILLIONS OF DOLLARS TO PROVIDE ALL REQUIRED FACILITIES AT THE COBS. THE PRESSING NEED FOR OPERATING LOCATIONS FOR AUGMENTATION AIRCRAFT LED TO A DECISION SEVERAL YEARS AGO TO CONCENTRATE ON OBTAINING MINIMUM ESSENTIAL FACILITIES (MEF) AT THE COBS ON A PRIORITY BASIS. THIS SLIDE SHOWS A COMPARISON OF MCP VS NATO FUNDING FOR MEF TO DATE.

WE ARE NOW FACED WITH A SITUATION, WHERE, BECAUSE OF OTHER HIGH PRIORITY INFRASTRUCTURE FUNDING REQUIREMENTS (GLCM & POMCUS) NATO WILL MOST LIKELY BE UNABLE TO SUPPORT COB REQUIREMENTS UNTIL 1985.

TO KEEP THIS VITAL PROGRAM MOVING, WE NEED YOUR SUPPORT ON THE MINIMUM ESSENTIAL FACILITY (MEF) PORTION OF THE PROGRAM. IN THIS PROGRAM WE PROVIDE FACILITIES FOR SEVEN DAYS FUEL AND AMMUNITION STORAGE AND DISPERSED AIRCRAFT PARKING. THIS AMOUNTS TO ABOUT $4.5 MILLION PER BASE - THE HOST NATION PROVIDES THE REST. MR. CHAIRMAN THIS IS A RELATIVELY SMALL INVESTMENT TO OBTAIN AN OPERATIONAL AIRFIELD. THESE FACILITIES, IN ADDITION TO OUR MAIN OPERATING BASES, ENABLE US TO PUT A LARGE NUMBER OF AIRCRAFT IN THEATER IN A VERY SHORT PERIOD OF TIME. THIS, WE BELIEVE, WILL MAKE THE SOVIET PLANNERS THINK TWICE BEFORE MAKING A MOVE.

THIS YEAR WE ARE ASKING FOR $37.12 MILLION FOR 13 BASES. $24 MILLION OF THIS IS PREFINANCING, THEREFORE RECOUPABLE. $13.12 MILLION IS TO BEDDOWN AIRCRAFT THAT ARE CURRENTLY NOT ELIGIBLE FOR INFRASTRUCTURE FUNDING.

READINESS - PACIFIC

LET ME TURN TO THE PACIFIC - OUR PROPOSED PROGRAM INCLUDES $31.4 MILLION IN NEW CONSTRUCTION AND IMPROVEMENT AND ALTERATION OF EXISTING OPERATIONAL AND LOGISTICAL FACILITIES. AS MENTIONED, THE GOVERNMENT OF JAPAN, THROUGH ITS COST SHARING PROGRAM, HAS COMMITTED OVER $100 MILLION OVER THE PAST TWO YEARS TO PROVIDE HOUSING AND PERSONNEL SUPPORT FACILITIES. THE GOVERNMENT OF KOREA HAS AGREED TO FUND A SEVEN-YEAR CONTINGENCY PROGRAM WHICH WE ESTIMATE WILL COST NEARLY $200 MILLION. IN ADDITION, THE KOREANS ARE COMMITTED TO FUND ESSENTIALLY ALL OF THE FACILITIES (AT AN ESTIMATED COST OF $75 MILLION) TO BEDDOWN A U.S. AIR FORCE A-10 SQUADRON AT SUWON AIR BASE. WE ARE ENCOURAGED WITH THE WILLINGNESS OF OUR ASIAN ALLIES TO SHARE THE BURDEN OF CONSTRUCTION COSTS AND WILL CONTINUE TO SEEK THEIR COOPERATION IN THE FUTURE.

RAPID DEPLOYMENT JOINT TASK FORCE (RDJTF)

THE ABILITY OF USAF UNITS TO PERFORM THE RAPID DEPLOYMENT MISSION IS CURRENTLY CONSTRAINED BY SHORTFALLS IN PRESENT OVERSEAS BASES AND FACILITIES CAPABLE TO SUPPORT OPERATIONS. OUR PROGRAM IS A FIRST STEP IN IMPROVING OUR ABILITY TO RESPOND IN THE TIME OF CRISIS AND TO PROVIDE AN IMPROVED DETERRENT TO SOVIET MILITARY ACTIONS IN SWA, THE RDJTF'S PRIMARY AREA OF INTEREST. DEPLOYMENT OF A FORCE TO SWA REQUIRES EN ROUTE, STAGING, AND EMPLOYMENT FACILITIES. THIS YEAR'S PROGRAM SUBSTANTIALLY UPGRADES THE EN ROUTE FACILITIES AT LAJES AND DIEGO GARCIA TO SUPPORT AIRLIFT FLOW THAT WILL BE REQUIRED TO DEPLOY AND SUPPORT THE RDJTF. OMAN AND EGYPT ARE TWO COUNTRIES IN SWA THAT HAVE GIVEN US ACCESS TO DATE. WE ENVISION BUILDING STAGING FACILITIES IN THESE COUNTRIES FROM WHICH FORCES CAN RAPIDLY BE MOVED TO FORWARD OPERATING LOCATIONS. WE ARE REQUESTING $322 MILLION ($78.5 IN OMAN AND $70.4 IN EGYPT) TO SUPPORT OUR FY 1982 REQUIREMENTS. ALSO INCLUDED IS A REQUIREMENT FOR $115 MILLION TO CONSTRUCT AF REQUIRED FACILITIES AT DIEGO GARCIA. WE ARE ALSO ASKING FOR $9.0 MILLION TO CONSTRUCT FACILITIES AT MACDILL AFB, FLORIDA TO HOUSE THE RDJTF HEADQUARTERS.

NEW MISSIONS AND MISSION REALIGNMENTS

WE ARE REQUESTING $76.3 MILLION FOR FACILITY SUPPORT OF MISSION AND/OR WEAPONS SYSTEM CHANGES IN THE CONTINENTAL UNITED STATES AND OVERSEAS. THIS INCLUDES $23 MILLION FOR AN AWACS ALERT

FACILITY AT TINKER AIR FORCE BASE, $19 MILLION FOR PERSONNEL SUPPORT FACILITIES TO ACCOMMODATE BEDDOWN OF A TR-1 SQUADRON AT RAF ALCONBURY AND THE REMAINING FUNDS FOR VARIOUS WEAPON SYSTEM SUPPORT FACILITIES THROUGHOUT THE CONUS AND OVERSEAS.

SOUND SUPPRESSORS

$3.5 MILLION IS TO PROVIDE SUPPORT CONSTRUCTION FOR THE INSTALLATION OF SOUND SUPPRESSORS AT SIX INSTALLATIONS. THE SOUND SUPPRESSORS FOR JET ENGINE RUN-UP TESTING ARE BEING PURCHASED WITH EQUIPMENT FUNDS.

FLIGHT SIMULATORS

OUR FY 1982 REQUEST INCLUDES $24.5 MILLION FOR FLIGHT SIMULATOR BUILDINGS AT SEVEN LOCATIONS. THE PROJECTS CONTINUE OUR OVERALL PROGRAM TO IMPROVE AIRCREW PROFICIENCY. SIMULATORS AUGMENT IN-FLIGHT TRAINING AND PERMIT AIRCREWS TO PRACTICE EVENTS WHICH CANNOT BE ACCOMPLISHED IN-FLIGHT DUE TO SAFETY AND FLYING HOUR LIMITATIONS. FACILITIES IN THIS YEAR'S REQUEST WILL HOUSE SIMULATORS FOR KC-10 B-52, F-4G AND A-10 AIRCRAFT.

DATA PROCESSING FACILITIES - PHASE IV

THIS YEAR'S PROGRAM ALSO INCLUDES THE FIRST OF TWO INCREMENTS FOR PROJECTS TO SUPPORT AN AIR FORCE WIDE PROGRAM TO UPGRADE BASE LEVEL DATA AUTOMATION EQUIPMENT. WE ARE SUBMITTING 31 PROJECTS FOR $30.0 MILLION AT VARIOUS LOCATIONS WORLDWIDE. THE CONSTRUCTION PROGRAM IS GEARED TO THE COMPUTER EQUIPMENT DELIVERY SCHEDULE. DELIVERY AND INSTALLATION OF THE REPLACEMENT EQUIPMENT IS SCHEDULED TO COMMENCE IN 1983.

MAR

WE ARE REQUESTING $40.2 MILLION TO ACCOMMODATE THE MINIMALLY ATTENDED RADAR (MAR) PROGRAM. THIS IS THE FIRST OF TWO PHASES TO COMPLETE THE NECESSARY FACILITY SUPPORT AT TWELVE RADAR SITES IN ALASKA. THE MAR CONCEPT INVOLVES REPLACING THE EXISTING EQUIPMENT WITH A MODERN SURVEILLANCE SYSTEM THAT CAN BE MAINTAINED AND OPERATED BY A SMALL NUMBER OF PERSONNEL.

FINAL OPERATIONAL CAPABILITY OF THE NEW RADARS IS SCHEDULED FOR SEPTEMBER 1984.

UNACCOMPANIED PERSONNEL HOUSING

THIS YEAR THE AIR FORCE REQUESTS $64.2 MILLION TO CONTINUE UPGRADING UNACCOMPANIED PERSONNEL HOUSING FACILITIES. ON BEHALF OF THE COLLECTIVE LEADERSHIP OF THE AIR FORCE, I WANT TO REAFFIRM OUR

COMMITMENT TO THE IMPROVEMENT OF LIVING CONDITIONS FOR OUR SINGLE ENLISTED PERSONNEL. LIVING AND WORKING CONDITIONS ARE KEY FACTORS IN RECRUITING AND RETENTION.

THE SUPPORT OF THIS COMMITTEE HAS BEEN TRULY OUTSTANDING IN THE PAST FEW YEARS, AND THE AIR FORCE IS GRATEFUL. HOWEVER, TOO MANY ENLISTED PEOPLE ARE STILL LIVING IN SUBSTANDARD FACILITIES THROUGHOUT THE AIR FORCE. I RESPECTFULLY URGE YOUR CONTINUED SUPPORT.

MEDICAL CONSTRUCTION PROGRAM

THE FY 1982 MEDICAL CONSTRUCTION PROGRAM REFLECTS OUR CONTINUING EFFORT TO SUPPORT THE AIR FORCE HEALTH CARE PROGRAM BY IMPROVING OUR FACILITIES TO ACCOMMODATE GROWTH AS WELL AS KEEPING PACE WITH TECHNOLOGICAL ADVANCEMENTS IN THE MEDICAL FIELD.

OUR $106.1 MILLION REQUEST THIS YEAR PLACES EMPHASIS ON COMPREHENSIVE CARE FOR OUR PEOPLE AND THEIR FAMILIES. INCLUDED IS A PROJECT TO CONSOLIDATE AND MODERNIZE A MEDICAL CENTER AT WRIGHT-PATTERSON AFB, OHIO FOR $102.3 MILLION AND A $3.8 MILLION PROJECT TO ELIMINATE THE LIFE SAFETY DEFICIENCIES IN THE HOSPITAL AT TRAVIS AFB, CALIFORNIA.

ENERGY PROGRAM

OUR ENERGY PROGRAM THIS YEAR COMES TO $60.2 MILLION. THE $48.1 MILLION ENERGY CONSERVATION INVESTMENT PROGRAM (ECIP) IS THE BACKBONE OF OUR EFFORT TO REDUCE OVERALL ENERGY CONSUMPTION 20 PERCENT BY 1985 COMPARED TO A 1975 BASELINE. OUR TARGET IS FOR ECIP TO CONTRIBUTE SOME 12% OF OUR TARGETED REDUCTION WITH THE REMAINING 8% COMING FROM MANAGEMENT, OPERATIONS, AND MAINTENANCE ACTIONS. THE FY 82 PROGRAM MAINTAINS AN AVERAGE ENERGY TO COST RATIO THAT IS FIFTY PERCENT ABOVE THE DOD MINIMUM.

WE HAVE 30 SOLAR SYSTEMS OPERATIONAL AT 23 LOCATIONS, THREE MORE UNDER CONSTRUCTION, AND 20 UNDER DESIGN. $3.6 MILLION OF THE FY 82 PROGRAM IS DEVOTED TO PROVIDING ADDITIONAL SOLAR SYSTEMS AT TEN LOCATIONS.

WE ARE ALSO PURSUING THE USE OF GEOTHERMAL ENERGY. AT WILLIAMS AFB, ARIZONA, WE ARE DEVELOPING, WITH DEPARTMENT OF ENERGY'S HELP A PROJECT TO PROVIDE GEOTHERMAL ENERGY FOR SELECTED FACILITIES.

AT MCCLELLAN AFB, CALIFORNIA, WE RECEIVED APPROVAL LAST YEAR FOR AN ENERGY MANAGEMENT AND CONTROL SYSTEM (EMCS) WHICH WILL TRACK

BASELINE DATA ON SELECTED FACILITIES, AS WELL AS PROVIDE ENERGY SAVINGS THROUGH BETTER ENERGY MANAGEMENT. THIS YEAR WE ARE REQUESTING FUNDS TO EXPAND THIS EMCS AS WELL AS UPGRADE A PORTION OF THE BASE UTILITY DISTRIBUTION SYSTEM.

MR. CHAIRMAN, WE ARE PROUD OF OUR ENERGY CONSERVATION PROGRAM AND THE RESULTS TO DATE. WE REALIZE THAT AMBITIOUS ENERGY CONSERVATION MEASURES ARE NECESSARY NOT ONLY TO SAVE MONEY BUT ALSO TO REDUCE OUR DEPENDENCE ON PETROLEUM RESOURCES.

WE PLAN TO CONTINUE OUR EFFORTS IN THE FUTURE AND LOOK TO YOUR SUPPORT OF THIS PROGRAM.

ENVIRONMENTAL PROTECTION

THE $6.4 MILLION REQUESTED IN FY 82 CONTINUES OUR EFFORT TO PROVIDE TREATMENT TO MEET THE MORE STRINGENT AIR AND WATER QUALITY STANDARDS PROMULGATED BY EPA AND THE STATES.

THIS YEAR'S PROGRAM INCLUDES $3.4 MILLION TO UPGRADE THE SEWAGE TREATMENT SYSTEM AT ELLSWORTH AFB, SOUTH DAKOTA, TO MEET ENVIRONMENTAL PROTECTION AGENCY REQUIREMENTS AND A $1.5 MILLION FOR WURTSMITH AFB, MICHIGAN, TO PROVIDE A PERMANENT AERATION SYSTEM TO REMOVE 80 TO 90 PERCENT OF AN IDENTIFIED TRICHLOROETHYLENE CONTAMINATION OF THE BASE WATER SYSTEM.

WITH THE INCREASED AWARENESS OF THE POTENTIAL HAZARDS ASSOCIATED WITH THE DISPOSAL OF TOXIC AND HAZARDOUS SUBSTANCES, WE ANTICIPATE FUTURE YEAR PROGRAMS WILL INCLUDE FUNDS FOR SUCH PURPOSES.

MR. CHAIRMAN, BY ITS NATURE, THE ENVIRONMENTAL PROTECTION PROGRAM MUST BE PHASED OVER SEVERAL YEARS AS CRITERIA AND STANDARDS ARE DEVELOPED. ALTHOUGH OUR BUDGET FOR THESE PROGRAMS HAS BEEN LIMITED, WE HAVE KEPT PACE WITH THE INCREMENTAL REQUIREMENTS, AND WE PLAN TO CONTINUE OUR EFFORTS IN THE FUTURE UNTIL ALL AIR FORCE LOCATIONS ARE IN COMPLIANCE WITH THE STANDARDS CURRENTLY IN EFFECT.

OCCUPATIONAL SAFETY AND HEALTH IN THE WORKPLACE

THIS YEAR'S PROGRAM INCLUDES PROJECTS TOTALLING $6.1 MILLION, AT THREE LOCATIONS SPECIFICALLY TO PROVIDE SAFE AND HEALTHFUL WORKPLACES FOR OUR EMPLOYEES. THE PROGRAM IS BASED ON THE LONG ESTABLISHED AIR FORCE COMMITMENT TO THE PRINCIPLES OF SAFETY AND HEALTH IN THE WORKPLACE THAT WAS MANDATED IN THE OCCUPATIONAL, SAFETY AND HEALTH ACT OF 1970. TO THIS END, WE HAVE DEVELOPED A

PHASED PLAN FOR THE IDENTIFICATION, BUDGETING AND FUNDING FOR THE CORRECTION OF ALL KNOWN DEFICIENCIES IN AIR FORCE WORKPLACES.

MILCON UNDERFUNDING

ALSO INCLUDED IN THE AIR FORCE SUBMITTAL IS A REQUEST FOR $242.5 MILLION TO RELIEVE A CONSTRUCTION FUNDING SHORTAGE. THE AIR FORCE HAS A BACKLOG OF PREVIOUSLY APPROVED MILITARY CONSTRUCTION PROJECTS THAT CANNOT BE CONSTRUCTED DUE TO LACK OF FUNDS. THIS FUNDING SHORTFALL HAS SEVERELY HINDERED OUR ABILITY TO COMPLETE VALID, ESSENTIAL PROJECTS THAT HAVE HAD TO BE DEFERRED UNTIL ADDITIONAL FUNDS COULD BE OBTAINED. FROM FY 77 TO FY 79, THE AIR FORCE MILITARY CONSTRUCTION PROGRAM, AS APPROVED BY THE CONGRESS, WAS UNDERFUNDED BY $113.1 MILLION (PROJECTS CLEARED FOR ACCOMPLISHMENT VERSUS CASH APPROPRIATED). THIS UNDERFUNDING, COMBINED WITH THE HIGH INFLATION EXPERIENCED IN RECENT YEARS AND MAJOR COST OVERRUNS ON THE SPACE TRANSPORTATION SYSTEM, NECESSITATED DEFERRING FY 79, 80, AND 81 APPROVED PROJECTS. WE HAVE REPRIORITIZED THE DEFERRED PROJECTS TO ASSURE THAT MISSION ESSENTIAL CONSTRUCTION IS FUNDED, BUT A BACKLOG OF OPERATIONS, MAINTENANCE, SUPPLY, UNACCOMPANIED HOUSING, ADMINISTRATIVE, COMMUNITY, MEDICAL AND UTILITIES CANNOT BE ACCOMPLISHED UNLESS ADDITIONAL FUNDS ARE PROVIDED.

WE ALSO EXPECT TO HAVE TO FUND DURING FY 82 A PORTION OF THE SHORTFALL THAT HAS RECENTLY SURFACED AT THE AEROPROPULSION SYSTEMS TEST FACILITY (ASTF) AT ARNOLD ENGINEERING DEVELOPMENT CENTER, TN. WE ARE CURRENTLY WORKING THIS REQUIREMENT.

COST ESTIMATES AND DESIGN

BECAUSE OF ECONOMIC UNCERTAINTIES AT HOME AND OVERSEAS, IT IS BECOMING INCREASINGLY DIFFICULT TO PREDICT THE MARKETPLACE REGARDLESS OF THE PERCENTAGE OF DESIGN COMPLETION. THE ESTIMATES BEFORE YOU TODAY HAVE BEEN DEVELOPED FROM THE BEST POSSIBLE DATA AVAILABLE TO US, AND THAT ALL BUT A FEW PROJECTS ARE AT THE 35% DESIGN STAGE OR BETTER. OUR GOAL IS TO OBLIGATE CONSTRUCTION FUNDS IN THE YEAR APPROPRIATED. WE ARE CONFIDENT WE CAN ACHIEVE THIS GOAL.

OUR FY82 DESIGN NEEDS TOTAL $245.5 MILLION. M-X REQUIREMENTS ARE 64% OF THIS TOTAL OR $156.3 MILLION, WITH $10 MILLION OF THIS M-X FIGURE TARGETED TOWARD COMMUNITY PLANNING ASSISTANCE AND DEFENSE ACCESS ROADS PLANNING AND DESIGN. THE REMAINING $89.2

MILLION WILL BE USED TO DESIGN ALL OTHER FACILITY REQUIREMENTS. THE TOTAL $245.5 MILLION WILL ALLOW US TO COMPLETE THE FEW REMAINING DESIGNS IN OUR FY82 PROGRAM, TAKE OUR PROPOSED FY83 ITEMS TO 100%, AND INITIATE DESIGN ON OUR PLANNED FY84 PROGRAM.

CONCLUSION

MR. CHAIRMAN, THIS CONCLUDES MY PREPARED STATEMENT. I THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE THIS COMMITTEE TODAY. IF THERE ARE ANY QUESTIONS ABOUT OUR PROGRAM WE WILL BE PLEASED TO RESPOND AS WELL AS PROVIDE ADDITIONAL INFORMATION AS YOU REQUIRE.

SUBMITTED QUESTIONS

Senator SASSER. Unfortunately, our time this morning is limited, but the chairman and the staff will be submitting more detailed questions for the record as we continue our consideration of the 1982 budget.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR SASSER

Senator Sasser: Would you explain to the Subcommittee what a sound suppressor facility is and how it operates?

General Wright. A sound suppressor facility is used to reduce engine noises generated by jet engines operating on test stands and during trim operations with the jet engines installed in fighter aircraft. It is a de-mountable, aircooled, hangar-like piece of equipment that encloses an aircraft and suppresses the extremely high noise levels associated with the high velocity of air intake and exhaust. The noise is suppressed by routing the air intake through a series of air baffles and the exhaust through a long muffler type tube filled with a noise absorbing material.

Senator Sasser: You have requested $3.5 million in fiscal year 82 for construction. What amount is estimated for the equipment to be used in the facilities?

General Wright: $8.4 million was included in the FY 80 aircraft procurement appropriation.

Senator Sasser: Is this a new requirement driven by OSHA standards?

General Wright: No. This is merely a new generation suppressor designed to accommodate a wide range of fighter aircraft.

Senator Sasser: What is the determining factor for locating these facilities?

General Wright: The determining factor is the location of Air Force units with noise producing aircraft.

Senator Sasser: What is the Air Force's experience with solar programs?

General Wright: As mentioned earlier, we have 30 solar systems operational at 23 locations, three more under construction, and 20 under design. We have also participated in numerous Department of Energy demonstration programs and installed solar systems at several bases through O&M initiatives. However, our experience to date reveals a number of performance, as well as maintenance, problems. We are, therefore, rather cautious in our pursuit of solar applications, realizing also that these early experiences should not be construed as representative of solar in general. We are presently including solar energy on several projects under the Solar in Federal Buildings Program and will continue to pursue solar, both passive and active applications, wherever it is practical and cost-effective. We foresee solar as an important alternate energy option, but one which should compete on its own merits and not be favored over other recognized cost-effective conservation opportunities.

Senator Sasser: Your program contains no coal conversion facilities. This Subcommittee has strongly supported these and other alternative fuel systems. What are your plans in this area?

General Wright: Our FY 82 program, as submitted to OSD, originally included a 100 MBTU fluidized bed boiler for Arnold AFS, TN; however, the Senate Appropriations Committee authorized that project for FY 81.

Our outyear projects were either not far enough into design or were too large in scope to allow us to reprogram for FY 82. We are, however, proposing conversion projects in our FY 83 program. Depending upon other Air Staff and OSD priorities, our FY 83 and future programs will be developed using the condition of the existing plant as the main driving force along with fuel conversion.

Senator Sasser: What is the status of the Malmstrom AFB coal conversion project?

General Wright: The Malmstron AFB, Montana, coal conversion project is 95 percent designed. It is our highest priority heating plant project due primarily to the condition of the existing plant and is proposed now for consideration through Air Staff and OSD for submittal in the FY 83 program.

Senator Sasser: What is the status of your quality of life programs?

General Wright: Our FY 82 Quality of Life program totaling $193.9 million is divided into three different areas. This year the medical portion totals $106.1 million for two projects: Wright-Patterson ($102.3 million) and Travis ($3.8 million.) Also included in Quality of Life are 18 projects for $64.3 million to continue to upgrade our enlisted dormitories and $23.5 million for seven community support projects.

We are proud of the Air Force Quality of Life program and continue to stress its importance in the overall productivity of our personnel.

Senator Sasser: Do all your bachelor enlisted personnel housing facilities meet DoD standards?

General Wright: No. The Air Force currently has about 17,000 bed spaces in the inventory which do not meet the minimum standards of adequacy prescribed by DoD.

Senator Sasser: If not, how do you propose to attain this goal?

General Wright: The Air Force has pursued, since fiscal year 1978, a planned upgrade of all enlisted unaccompanied housing assets to at least DoD standards. With approval of the FY 1981 military construction program, about 28% of our goal has been achieved. We originally estimated a requirement of just over 88,000 bed spaces and have realized about 25,000 spaces in those four funding periods. The 88,000 spaces were made up of rooms which dod not meet DoD standards, rooms which did not meet Air Force standards, and actual deficiencies at some bases. The Air Force currently plans to devote about $100,000,000 per year for the next 7 military construction cycles and hopes to reach our goal at that point. Simultaneously, the Air Force is devoting O&M funds for minor upgrade work and furnishings.

Senator Sasser: Do you use the same standards for overseas, remote locations where a person will only spend 12-15 months as compared to a CONUS tour of 3-4 years? What is the rationale used in this?

General Wright: The Air Force applies different standards to the upgrade of dormitories at overseas remote locations. We do not alter existing central bathroom buildings to our semi-private bathroom design. We merely upgrade the existing facilities with very little modification to the existing floor plans. The key is "remote" overseas locations. At overseas locations where our personnel serve at least two year assignments, we are now allowing central bathroom dormitories to be converted to semi-private bathroom configuration when a general upgrade of the building is needed. This is a recent change from our earlier policy which precluded such modification at all overseas locations. Our rationale has been that the additional cost of overseas construction was unwarranted when our personnel were spending only a year to a year and a half in the dormitories. Current experience, however, places greater emphasis on personnel extending overseas in the non-remote locations and taking consecutive tours. We decided, therefore, to remove the restriction from the European locations except for West Germany where the German Offset program only recently upgraded many of our dormitories.

SUBCOMMITTEE RECESS

Senator SASSER. At this time the subcommittee will stand in recess until Wednesday, May 13, when the Navy construction request will be received.

Thank you.

[Whereupon, at 10:50 a.m., Thursday, May 7, the subcommittee was recessed, to reconvene at the call of the Chair.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1982

WEDNESDAY, MAY 13, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:25 a.m., in room S-126, the Capitol, Hon. Mack Mattingly presiding.

Present: Senators Mattingly and Sasser.

NONDEPARTMENTAL WITNESSES

HEARING PROCEDURE

Senator **MATTINGLY**. Good morning.

The subcommittee will come to order.

This morning the subcommittee will receive testimony on the Navy and Marine Corps military construction program for fiscal year 1982. Included in the presentation will be briefings on the Trident program, the Navy's Middle East construction plans and the San Diego Hospital request.

We will also receive testimony from outside witnesses concerning the Naval Regional Medical Center at San Diego. This project has become controversial because of the proposed site for the hospital.

While the subcommittee is pleased to receive this testimony, let me state that the selection of the site for any specific project is not normally the subcommittee's business. That is, we expect that the projects which we are requested to act upon have been fully agreed upon by the appropriate service and the other parties involved.

However, because of the continuing controversy over this $204 million project, the committee will carefully review all testimony. The subcommittee will be inserting various documents from outside witnesses other than those present today into our hearing record for the San Diego Hospital.

INTRODUCTION OF WITNESSES

With us today to give testimony on the hospital are Mr. William Harrington, Washington representative for the city of San Diego; and Mr. Norval Richardson, cochairman of the Committee for Charter Protection for Parks.

Because of time constraints we have asked these witnesses to limit their oral presentation to 5 minutes and submit their detailed statements for the record.

The Navy's amended budget request for fiscal year 1982 is approximately $1.5 billion. The detail of this request will be presented by our witnesses, Rear Adm. William M. Zoble, Commander of the Naval Facilities Engineering Command and Brig. Gen. Frank E. Peterson, Director of Facilities and Services Division, Headquarters, U.S. Marine Corps.

Gentleman, let me welcome you.

Senator Laxalt has sent his regrets at not being able to attend today's hearing. I understand this will be the first appearance I guess for both Admiral Zobel and General Peterson before this subcommittee.

I speak for myself and the chairman and Senator Sasser when I say that this subcommittee has worked closely with the Defense Department in the past to achieve the goals of the military construction. The subcommittee looks forward to working in a spirit of cooperaton with the Navy on the fiscal year 1982 request.

I will ask Mr. Harrington and Mr. Richardson to begin with their statements and then they will be followed by the Navy's witnesses.

City of San Diego, Calif.

STATEMENT OF WILLIAM HARRINGTON, WASHINGTON REPRESENTATIVE FOR THE CITY OF SAN DIEGO

SITE FOR NAVAL REGIONAL MEDICAL CENTER

Mr. **Harrington**. Thank you very much, Senator.

Good morning. I am Bill Harrington, Washington representative for the city of San Diego.

I am here today to express the views of the city of San Diego with regard to the site of the new San Diego Naval Regional Medical Center.

If I may, Mr. Chairman, I would like to submit for the record a statement supporting as the site for the new regional medical center an area in San Diego known as Helix Heights. And, in the interest of time, I will confine my remarks to a brief summary of the city of San Diego's position on this matter.

First, let me say that while there may be debate in the community over the best site for the new Navy hospital, there is no debate amongst San Diegans over their desire for the Navy's hospital to be built in San Diego.

San Diego's mayor and city council have on several occasions approved resolutions offering city-owned land and other assistance to the Navy to implement the Navy's San Diego Hospital construction plan.

SUPPORT FOR HELIX HEIGHTS SITE

The city of San Diego is thus clearly on record in support of the hospital's construction in San Diego at the earliest date and on a site known as Helix Heights.

The city's preference for Helix Heights is predicated in part of this site's accessibility to hospital-related truck and auto traffic. We are concerned that the project's environmental impact statement is inaccurate and deficient in its comments and analysis of impacts of traffic routes inroads and parking space. The city asks the Navy for an explanation of the data supporting the traffic projections of the EIS.

The city further objects to the passing consideration given by the Navy to Presidential Executive Order 12072 directing consideration of compatibility of Federal projects with local plans and conservation objectives.

BALBOA PARK SITE

The Navy's decision to build the new hospital on dedicated parkland clearly conflicts with the city's Balboa Park master plan and the city's general plan.

Finally, the city pleads for the preservation of its scarce and precious parkland. We are not surprised that the Navy wants its hospital in one of the Nation's most beautiful parks. But the city believes all of Balboa Park should be available to all of the citizens who support it with their taxes.

Unfortunately, since its dedication in 1869, Balboa Park has lost 42 percent of its usable acreage to nonpark uses. Obviously we oppose further loss. Significantly there is no loss of parkland if the Navy locates its new hospital on the Helix Heights site.

Mr. Chairman, the city of San Diego respectfully requests that your subcommittee give thoughtful consideration to its views and concerns in your deliberations on the fiscal year 1982 funding for the San Diego Naval Regional Medical Center.

Thank you for this opportunity to appear before you and present the views of the city of San Diego.

Senator **MATTINGLY**. Thank you very much, Mr. Harrington.

PREPARED STATEMENT

The subcommittee will carefully review all of the aspects of the San Diego Hospital project and I appreciate you coming today and presenting the testimony. Your prepared statement will be placed in the record at this point.

Mr. **HARRINGTON**. Thank you very much, Senator.

[The statement follows:]

PREPARED STATEMENT OF WILLIAM HARRINGTON

WASHINGTON REPRESENTATIVE

CITY OF SAN DIEGO, CALIF.

I am William Harrington, Washington Representative for the City of San Diego. I appear before your Subcommittee to offer testimony concerning the siting in San Diego of the Navy's new Regional Medical Center (NRMC).

Mr. Chairman, it should be understood at the outset that while there may be debate in the community over the better site for the new hospital, there is no debate among San Diego citizens over their desire for the Navy's hospital to be built in San Diego. San Diego has been host to the Navy for decades. During that time the City and the Navy have worked cooperatively on numerous projects, both military and civic. It is our sincere desire to continue this strong and cooperative relationship.

In this spirit Mayor Pete Wilson and the San Diego City Council have offered to facilitate the Navy's San Diego hospital construction plans by making available to the Navy City-owned property and assistance in assembling sufficient land at a location known as Helix Heights. The City supports Helix Heights as the site of the NRMC. Four resolutions have been approved by the City Council which explain our preference for the Helix Heights site. The various resolved clauses are summarized below.

On June 16, 1980, the City Council offered the Navy fee simple ownership of some forty-eight acres and "agreed to cooperate with the Navy in facilitating all actions necessary for timely construction of the hospital on Helix Heights site." (Resolution attached.) This latter offer is salient as it relates to acquiring fee simple title to certain private property and to expediting needed traffic improvements around the Helix Heights site. In fact, on February 3, 1981, Deputy City Manager John Fowler, in a letter to Mr. Victor Ell, U.S. General Accounting Office (attached), stated that the costs of improving the street conditions at both the Florida Canyon and Helix Heights sites were on the order of $2 million. Additionally, the freeway systems adjacent to both sites were "somewhat congested" and over time would require modifications and improvements. He concluded by saying, "it would appear that the difference between the two sites with regard to access or the costs of improving this access is not significant." Indeed, the City is willing to provide the necessary energy to bring about improved access to the Helix Heights site. This commitment is essential when one realizes that the cost of access improvements is similar at both sites.

A second resolution was adopted on November 10, 1980 (attached). It reconfirmed our offer of fee simple ownership as well as our assistance, through legal means, to acquire the additional private ownership. As important, we also agreed to place before the voters the question of removing the cemetery restriction on fifteen acres of undeveloped city-owned land to the south of the site. This property may be needed by the Navy for future evolutionary expansion.

On December 10, 1980, a third resolution was passed (attached). It simply urged the President and the Congress to reverse the decision of the then Secretary of the Navy which endorsed the Florida Canyon site.

The fourth resolution was approved by the City Council on February 24, 1981. In this resolution (attached) the City Council calls to the attention of the General Accounting Office, that the GAO construction cost analysis of the Florida Canyon and Helix Heights sites (this GAO report was completed on April 23, 1981) should recognize that the City of San Diego disputes the fair market value of the Florida Canyon property as set out in the Federal Government's condemnation action. That, in fact, the value of the Florida Canyon land could be significantly higher as indicated by a recent sale in a nearby area of Balboa Park.

The City's preference for Helix Heights as the site for the NRMC is predicated in part on the site's accessibility. In our view, there will be less impact on the surrounding neighborhood from hospital related truck and auto traffic. We note deficiencies in the Supplemental Environmental Impact Statement (SEIS) with respect to traffic access and parking space.

As the result of the discovery of an earthquake fault bisecting the Florida Canyon site, the Navy has had to redesign the NRMC project to provide the facility with earthquake resistance. The new design is referred to as Florida Canyon "B" as distinct from the "original" Balboa Park Plan.

Under the "B" plan the SEIS, on page 2-51, states that there are two planned points of entry to the Florida Canyon "B" alternative: (1) Florida Drive and (2) Park Boulevard. The SEIS states that the Park Boulevard entrance will be reserved for ambulances and emergency vehicles only. All other NRMC traffic (19,000 vehicles per day) will use the entrance and exit on Florida Drive. The initial traffic study performed for the NRMC plan was based on a completely different distribution of hospital traffic. The "original" plan had 61 percent of the hospital traffic accessing the hospital via Florida Drive. The City is not aware of any recent traffic study that examines the full impacts of rerouting all of the hospital traffic onto Florida Drive. Hence, we cannot presume that the traffic mitigation measures presented for the original hospital site would be sufficient for the new Florida Canyon "B" Development Plan.

On page 2-57 under "Comparison of Reasonable Alternatives", the report makes comparisons of the Helix Heights site and the Florida Canyon "B" site. There appear to be some inconsistencies in the advantages and disadvantages reported. The SEIS does not take into account the fact that while Helix Heights site would generate new traffic on the streets in the immediate area, there would be an equivalent reduction in traffic in Balboa Park. On page 2-60, the SEIS states automobile traffic impacts at Balboa Park would be less severe than at Helix Heights because the current conditions at Balboa Park includes NRMC traffic. This is misleading since as noted above, no mention is given to the fact that if the hospital was relocated to Helix Heights, all of the hospital traffic, except for whatever facilities remain at Balboa Park, would be shifted over to the Helix Heights site. On page 2-60, the SEIS further reports that the current traffic problems at Park Boulevard would be alleviated under the Florida Canyon "B" alternative and traffic impacts on Florida Drive would be mitigated through street widening and realignment. This is not verified. As noted earlier, a traffic study, measuring the traffic impacts created by shifting all the traffic onto Florida Drive has not been presented to the City for their review.

On page 4-1, Environmental Consequences of the Reasonable Alternatives, reference is made to traffic impacts pertaining to the NRMC project and data developed by Linscott, Law & Greenspan, Inc. (1980). The traffic analysis presented to the City was based on a different traffic study whereby 61 percent of the NRMC traffic was presumed to use Florida Drive and the remaining 39 percent would use Park Boulevard. The 1980 traffic study referred to by Linscott, Law & Greenspan, Inc. in which all hospital traffic enters from Florida Drive, has not been reviewed by the City staff. We, therefore, do not know whether the new site plan traffic impacts have been mitigated to the City's satisfaction. The data presented in Table 4.1.1.2-2, page 4-5, appears to reflect the new site plan, yet the table is referenced to a 1979 study. Was the 1979 traffic table altered to reflect the change in hospital traffic flow or is the date of the table incorrect? An explanation of how the original table was altered should be provided.

The City would also call to the Subcommittee's attention what appears to be only passing attention in the SEIS to Executive Order No. 12072, dated August 16, 1978, 43 F.R. 36869, entitled Federal Space Management. This policy directive concerning planning, acquisition, utilization, and management of Federal space facilities orders that the process of meeting Federal space needs in urban areas shall include consideration of criteria including compatibility of the site with local development, redevelopment, or conservation objectives. Clearly the Navy's construction plan conflicts with the City's Balboa Park Master Plan and its General Plan.

The Executive Order also directs consultation with appropriate local government officials and to consider their recommendations for and objections to a proposed selection site and space acquisition. The City believes it has made compelling arguments in favor of the Helix Heights site. These arguments were made to the previous Administration. Therefore, we seek the opportunity to review our arguments on a face-to-face basis with new Reagan Administration officials.

Finally in closing, the City makes a plea for the preservation of its scarce and precious park land. One must experience Balboa Park to know the vision and care that has gone into its development since its dedication in 1869. It has evolved from a wilderness area covered by dense sagebrush and a few patches of flowers to one of the best known and most beautiful public parks in the United States. It does not surprise us, that the Navy wants its facility there. But we believe all of the park should be available to all of the citizens who support it with their taxes. Unfortunately, since its dedication in 1869 for park use, 42% of its useable acreage has been lost to non-park uses. The City Council could be accused of violating the public trust to allow yet another nonconforming use into the Florida Canyon of Balboa Park. Significantly, there is no loss of park land if the hospital is located on the Helix Heights site.

The "B" plan has a much greater impact on the park than the original plan. The SEIS does not convey the magnitude of the environmental damage caused by building most of the facilities along Park Boulevard, a primary access road to Balboa Park's facilities. The visual impact of plan "B" on Park Boulevard and the surrounding area should be thoroughly discussed with side elevations of the "B" design for review. The City desires the opportunity to discuss with the Navy its unilateral decision to transform Park Boulevard, one of the City's most beautifully landscaped roadways, into a service road for the hospital Central Plant, Warehouse, Truck Dock, Morgue and Kitchen Dock. Moreover, not only will Plan "B" destroy the park ambience of this lush boulevard, but it will also obstruct panoramic views of significant natural features and landmarks to the east and southeast of the park. Certainly none of this environmental damage need occur if the Navy is willing to reconsider its position on the siting of the NRMC.

Mr. Chairman, the City of San Diego respectfully requests that your Subcommittee give thoughtful consideration to its views and concerns in your deliberations on FY82 funding for the San Diego NRMC.

RESOLUTION NO. R- 252067 (R.80-2444)
REV.

WHEREAS, the City owns certain property in the Helix Heights area located between I-15 and Highway 94 and I-805, adjacent to recently improved major public facilities and in close proximity to on-going and proposed major improvement projects; and

WHEREAS, said site comprised of 47 acres of City-owned land and 10 acres owned by the Catholic Diocese, which 10 acres is limited to cemetery use and may be available for acquisition by the City, appears ideally located for the construction and operation of a hospital facility; and

WHEREAS, the City of San Diego values the unique relationship which has benefited both the Navy and San Diego over the last several decades and is committed to preserving and strengthening that relationship; and

WHEREAS, the Military Construction Subcommittee of the Senate Armed Services Committee requested a full re-evaluation of Helix Heights as an alternate hospital site; NOW, THEREFORE,

BE IT RESOLVED, that the City of San Diego hereby offers City's property in the Helix Heights area to the Navy for the purpose of reconstructing the Navy Hospital; and

BE IT FURTHER RESOLVED, that fee simple ownership of the Helix Heights site is being offered to the Navy in exchange for return to the City of San Diego of property in Balboa Park currently occupied by the Naval Regional Medical Center at such time as the Center is relocated to Helix Heights; and

BE IT FURTHER RESOLVED, that in the event this offer is accepted, the City agrees to cooperate with the Navy in facilitating all actions necessary for the timely reconstruction of the hospital on the Helix Heights site.

APPROVED: JOHN W. WITT, City Attorney

By
Harold O. Valderhaug, Deputy

RESOLUTION NO. R-253099

WHEREAS, the Department of the Navy has recently completed its comparative study of Florida Canyon and Helix Heights with regard to construction of a new Naval Regional Medical Center in San Diego; and

WHEREAS, the study indicates that construction at the Helix Heights site could be completed as much as eighteen months earlier and at lesser cost than at the Florida Canyon site; and

WHEREAS, the study outlines several other advantages of construction at the Helix Heights site including topography, facility design, lack of geologic hazards and potential for expansion; NOW, THEREFORE,

BE IT RESOLVED, that The City of San Diego hereby reconfirms its earlier resolution offering fee simple ownership of the City's property in Helix Heights to the Navy for the purpose of reconstructing the Naval Regional Medical Center, with the understanding that compensation for the property will be determined through negotiation between Navy and City; and

BE IT FURTHER RESOLVED, that the City will assist the Navy in any legal manner to acquire the additional property now in private ownership to the north and west of the City-owned property which the Navy determines is necessary for its facilities; and

BE IT FURTHER RESOLVED, that in order to accommodate the long-term contingency needs of the Naval Regional Medical Center at Helix Heights, the City Council hereby indicates its intention to place before the voters at the next City-wide election the matter of removing the cemetery restrictions on an undeveloped fifteen-acre City-owned parcel south of Market Street; and

BE IT FURTHER RESOLVED, that the City agrees to enter into negotiations at an early date and to cooperate with the Navy in facilitating all actions necessary for the timely reconstruction of the Naval Regional Medical Center at the Helix Heights site.

APPROVED: JOHN W. WITT, City Attorney

By

Robert S. Teaze
Assistant City Attorney

RESOLUTION NO. R- 253338 (R.81-1159)

WHEREAS, the Council of The City of San Diego, believing it to be in the best interests of the City and of the Navy, has offered the Helix Heights site to the Navy for hospital purposes, and has offered to expeditiously assist the Navy to acquire additional adjacent land for future expansion, none of which would encroach into a dedicated park; and

WHEREAS, the Secretary of the Navy recently announced his decision to build the hospital in Florida Canyon in spite of the substantial advantages of constructing the facility at Helix Heights; and

WHEREAS, the decision to build the hospital in Florida Canyon will result in delaying the completion of the hospital as much as eighteen months and costing an additional $15 million or more; and

WHEREAS, construction of the Naval Regional Medical Facility at Helix Heights would substantially enhance efforts by The City of San Diego, currently in progress, to stimulate needed economic development in Southeast San Diego; NOW, THEREFORE,

BE IT RESOLVED, that the City Council of The City of San Diego hereby urges the President of the United States and the United States Congress to reverse the decision of the Secretary of the Navy.

APPROVED: JOHN W. WITT, City Attorney

By
Harold O. Valderhaug, Deputy

RESOLUTION NO. R-253688

WHEREAS, on behalf of the United States Navy, the United States Government filed an action in eminent domain in federal court to acquire for the San Diego Naval Medical Regional Center (NMRC) approximately 35.934 acres of dedicated park land owned by The City of San Diego in Florida Canyon, a part of Balboa Park; and

WHEREAS, in connection with that condemnation action, the sum of $3,700,000 was deposited in court as representing the fair market value of said 35 plus acres; and

WHEREAS, The City of San Diego responded to that condemnation action by filing an answer in which the City denied that said sum of $3.7 million was the fair market value of said property; and

WHEREAS, it is understood that the General Accounting Office (GAO) is presently undertaking a cost analysis of constructing said NMRC in Florida Canyon or at another site known as Helix Heights; and

WHEREAS, the City Council desires to call to the attention of the GAO that The City of San Diego disputes that $3.7 million is the fair market value of said dedicated park land in Florida Canyon and that the value could in fact be significantly higher as would be indicated by a recent sale in the area surrounding Balboa Park of $1.9 million per acre for a subdivided and developed parcel; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that the GAO be advised of the views and position of The City of San Diego as recited herein.

BE IT FURTHER RESOLVED, that the City Clerk be and he is hereby directed to forthwith mail a certified copy of this resolution to the City's Washington, D.C., representative for immediate delivery to the appropriate officials in the GAO.

APPROVED: JOHN W. WITT, City Attorney

By Robert Teaze

Robert S. Teaze
Assistant City Attorney

THE CITY OF
SAN DIEGO
CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

OFFICE OF THE
CITY MANAGER
236-6363

February 3, 1981

Mr. Victor Ell, CPA
Audit Manager
U.S. General Accounting Office
Los Angeles Regional Office
Suite 1010 World Trade Center
350 South Figueroa Street
Los Angeles, CA 90071

Dear Mr. Ell:

As I indicated in our phone conversation on Monday, February 2, I feel it appropriate to set out in writing the City staff position relative to access improvements for the two hospital sites, Balboa Park and Helix Heights, which are currently under consideration. Because of the importance of this decision, it is critical that the facts utilized by the decision makers be correct. In view of this, I have obtained from Mr. Hal Rosenberg his recollection and review of notes of statements made at the January 15 meeting here in San Diego. See the attached memorandum.

I think the key conclusion reached from an examination of Mr. Rosenberg's memorandum is that it supports the report concerning the comparison of the two sites prepared for the Secretary of the Navy. This report and the facts shown in Mr. Rosenberg's memo suggest that the costs of improving the street connections to the two sites are both in the order of $2 million. Further, the freeway systems adjacent to each of both sites are somewhat congested and will over time require some further modification and improvements, not just to serve the hospital but rather to accommodate increased traffic in the general area. In the case of the Helix Heights site, the upgrading of Route 15 which lies along the west side of that site has long been desired by the City, and we would hope that this route can ultimately be improved whether or not this site is chosen for the hospital.

In conclusion, it would appear that the difference between the two sites with regard to access or the costs of improving this access is not significant.

I hope the above information will be helpful in your deliberations and report. Should you have additional questions, please feel free to call.

Sincerely,

John P. Fowler
Deputy City Manager

SUMMARY OF ISSUES RAISED AT SAN DIEGO CITY COUNCIL RULES COMMITTEE MEETING OF MAY 6, 1981 RE: SEIS FOR NAVAL REGIONAL MEDICAL CENTER

A transcript of the May 6, 1981 Rules Committee meeting on the Naval Regional Medical Center is attached. Major points of the speakers which address the adequacy of the SEIS and GAO Report are summarized below. The numbers in the left-hand margin of this summary and the transcript provide a cross-reference.

Balboa Park Site

1 The City Council Resolution of December 16, 1980 urging reversal of the decision to build in the Park is not mentioned in the SEIS.

2 The "Park Boulevard" plan has a much greater impact than the earlier "Florida Canyon" plan. The SEIS does not convey the magnitude of the environmental damage caused by building most of the facilities along Park Boulevard (which has become a service entrance).

3 The eventual necessity to take more park land for access improvement is not addressed.

4 The proposed parking garage would be bigger than Building 26. Building elevations are not shown; therefore, the visual impact and locations cannot be adequately evaluated. The structures could significantly impact views from and to the surrounding area.

5. Parking and traffic associated with the hospital may overflow onto and across Park Boulevard into central Balboa Park, causing additional traffic circulation and parking impacts and interference with park activities. These have not been addressed.

6. Substantially increased hospital-bound truck traffic on Park Boulevard is not addressed.

7. Executive Order 102071 requiring consideration of compatibility with state, regional and local plans and conservation objectives should be mentioned. Violation of these plans and objectives should be given more than just passing consideration.

8 Rebuilding on-site (an alternative previously rejected by the Navy) may be a more acceptable alternative for the City. There may be less impacts having the facility "at the edge" of the park rather than "right in the middle."

9 It is important that the full City Council and Mayor respond to the SEIS and GAO Report to demonstrate the importance of the site selection decision (commensurate with 12/16/80 Resolution) and the City's opposition to the misuse of valuable urban park space.

10 Tom Demere, a paleontologist with the Natural History Museum, commented that Florida Canyon is a very significant resource to paleontologists and archeologists as a major source of cultural materials.

11. Dr. Philip Kern of the Geology Department, San Diego State University, contended that the SEIS seismic analysis is deficient and unacceptable.

12 Page 3-98 of the SEIS contains a major error on the San Diego Housing Commission's role in the June 30, 1980 ballot proposition election.

13 The SEIS is deficient by not mentioning the City's commitment to revitalization of Southeast San Diego and formation of the Southeast Development Corporation and the positive influences that may result.

14 The downstream drainage impact associated with the removal of 2,500 feet of Florida Canyon streambed has not been addressed.

15 The potential biological impacts on Helix Heights have been over-emphasized. Significant populations of barrel cactus have been preserved in Glen Canyon (500) and Radio Canyon.

16. The Navy has not tried to preserve eight residences on the north-eastern portion of Helix Heights.

17. The argument for the use of Helix Heights is stronger:

- earthquake fault in Florida Canyon
- cost savings
- savings in construction time
- the matter of Propositions D and F
- less environmental impacts
- less aesthetic impacts
- less ecological impacts

18 The manner of compensation to the City for Florida Canyon property and a history of the use of Navy holdings in Balboa Park have not been addressed in the GAO Report.

19 Southeast San Diego has more than its share of low-income *housing* - that should not be an option for Helix Heights.

20 Relocation of the Navy Hospital on Helix Heights would complement economic development of the area currently underway.

21 The use of statements by City officials in a way to imply that Helix Heights is not the best site needs to be corrected. (GAO appendix 17-18.)

22 There is no indication in the GAO Report that there is strong City support for Helix Heights, such as the City offering Helix Heights to the Navy.

23 Page 21 of the GAO appendix states that the Navy's comparative study between Helix Heights and Florida Canyon no longer applies and yet the SEIS does not talk about it as a new project but as simply a slight change in their plan.

The current proposal is a new project from the original EIS and certain impacts have not been addressed fully in the SEIS.

Committee for Charter Protection for Parks

STATEMENT OF NORVAL RICHARDSON, CO-CHAIRMAN OF THE COMMITTEE FOR CHARTER PROTECTION FOR PARKS

SUPPORT FOR HELIX HEIGHTS SITE

Mr. Richardson. Good morning.

Mr. Chairman, I am Norval Richardson. I am a captain, U.S. Navy retired. I see I am outnumbered here by quite a bit.

Senator Mattingly. At least by the active people. [Laughter.]

Mr. Richardson. Yes.

I have been involved in Balboa park since 1961. So I have a very great interest in the Park. I was the founding chairman, for example, of the San Diego Aerospace Museum. I was president for 8 years of the Rubin H. Fleet Space Threater and Science Center when we got that built. I was chairman of the Air Museum Council in Balboa Park which is all the activities and I was a member of the Balbon Park Planning Committee for a number of years.

I also was the chairman of the San Diego Chamber of Commerce Task Force to Relocate the Naval Hospital. I was the individual who came up the idea of moving the hosptial out of park in 1972 and I approach the navy with this idea. I had the authority to offer them 190 acres of city land in exchange. The Navy thought it was a great idea and for several years proceeded on that basis.

I also spent 12 years as a hospital administrator and planner. So I have been very involved in planning in the local, State and National levels in hospitals and hospital operation.

Currently I am cochairman of the Save Balboa Park Committee which is also the charter committee for protecting the parks. We are a coalition with the League of Women Voters and the Sierra Club. I might also add that 68 percent of the voters or 147,000 voters voted yes on Helix Heights being offered to the Navy for a site. So we have quite a majority there.

As you have just heard, the city of San Diego is strongly behind Helix Heights and the county board of supervisors strongly supports Helix Heights.

Incidentally, we are strongly for a new naval hospital. There is no question on anybody's part that we need a hospital. I had my tonsils removed in that hospital in 1932 and I have been in and out of that place for a long time. We need it desperately.

However, I am very concerned as a naval officer and a retired naval officer that this is really going to destroy the good relations between the people of San Diego and the Navy. I don't think anybody here can appreciate the emotional aspect that this is having on the town. It has really aroused more people and they are all good people, mind you, on both sides. We have the builders on one side that don't want the Navy to take good land that they could use and the people that want to protect their park.

Now, when I was on the planning group for the park and on the air museum council you recognize that Balboa Park was the greatest place in the city of San Diego for resolving many of our social problems. There the blacks and the browns and everybody enjoyed that park without any concern for these other things. We looked forward to the day when the eastern half of the park would be developed because south San Diego and east San Diego are the groups of underprivileged people that need that part more than anybody.

FLORIDA CANYON SITE

Now, the proposed Florida Canyon site is right down the center. It splits the park geographically in two and with the roadway system you are dividing the east part from the west part and the west part is the part that is now developed.

The important thing to remember is that we are not talking about an issue that is going to go away next year or the year after but we are talking about 100 years down the road. This will preclude really the full developnment of Balboa Park for the next 100 years and this to us is just unbelievable.

I have some charts here which I will pass out. They are just showing Helix Heights.

Now, when they were talking about Florida canyon first, that was bad enough because that destroyed Florida Canyon and split the park in two. When the earthquake fault was discovered it necessitated replanning the hospital to the upper levels.

The science center as you can see is on the opposite side of the Park Boulevard which I was very much involved in getting built. Here you also notice now they have moved the hospital essentially up to Park Boulevard. This no longer is a Florida Canyon project. It is a Park Boulevard hospital site. Here we have got on Park Boulevard the warehouse, we have got the kitchen dock, we have got the morgue and this is the heart and the guts of our park.

Unfortunately these charts do not show it, but the visibility of these structures, while they intend to screen them, all that traffic will be on Park Boulevard which is our main artery into the park.

BUILDING 26 APPROVAL

Now, a great deal of issue has been made about Building 26 which is the main hospital building today. But in talking to the Department of Defense people last week they indicated that they would not approve Building 26 for the use of sleeping personnel. The airplanes go directly over and you feel that you can almost put your hands up and touch them. They are not more than 200 feet above the building.

The idea of restructuring and rebuilding that building which now does not withstand earthquake faults, the Navy has not yet come up, as far as we know, with a suitable plan for that building. It looks like to us that they are eventually going to have to tear it down. If they wanted to save the lower floors for surgical suites all they will have is an obsolete building.

So really rather than getting into all of the arguments pro and con on the construction and so forth, I think that people have got to realize that this project if it goes forward in the park is going to be bad for the Navy and of course the Medical Corps are the last ones that should bear the brunt of bad public relations. They are the people that are the good samaritans that are trying to help us keep our health.

This project will be a constant reminder to the people of San Diego of the ability of the Federal Government and the Navy Department to come in and destroy property that the city really desperately needs. This should not be because the relations between San Diego and the Navy ever since the Navy has been there have been outstanding. We have one of the finest relationships between the Navy and the city of San Diego and its people. You see, 90 percent of the total Navy retired people live in San Diego County. It is a tremendous Navy town. This issue has divided Navy people from Navy people. It has divided business people. Many of my good friends, we argue all the time. It is the hottest issue we have had in years.

Fortunately, when I have been able to spend the time with individuals to tell them really what is at stake here, and not just a building, but what is at stake is the destruction of the future of Balboa Park and it is all so unnecessary.

HELIX HEIGHTS SITE

Now, speaking about Helix Heights. If you were looking for a site and trying to dream up a site, this would be it. It has so many attributes. It is at the intersection of 94 and 15 which are the two major subarteries. It is within a mile either way of the main arteries. Also it will buttress up the economy and the whole socioeconomic structure of the southeast part of downtown San Diego which now there are no plans for.

So, gentlemen, this is a tremendous decision to make. As I say, we are making it not just for the time being but for the next 100 years. If the wrong decision is made the Navy is going to suffer and the people of San Diego are going to suffer. If the right decision is made then the Navy will benefit and they will have a hospital they will be proud of and they will make a tremendous contribution to the economy as well as to the livelihood and everything else of San Diego and the people of San Diego will benefit. So you have a great responsibility, sir. Thank you every much.

Senator MATTINGLY. Thank you, Mr. Richardson.

DEPARTMENT OF DEFENSE

Department of the Navy

STATEMENT OF REAR ADM. W. M. ZOBEL, CEC, USN, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

ACCOMPANIED BY:

BRIG. GEN. F. E. PETERSEN, USMC, DIRECTOR, FACILITIES AND SERVICES DIVISION, OFFICE OF THE DEPUTY CHIEF OF STAFF (INSTALLATIONS AND LOGISTICS) HEADQUARTERS, U.S. MARINE CORPS

REAR ADM. S. BARCHET, MC, USN, ASSISTANT CHIEF FOR PLANNING AND RESOURCES, BUREAU OF MEDICINE AND SURGERY

REAR ADM. J. D. MURRAY, JR., USN, PROJECT MANAGER, TRIDENT SYSTEM PROJECT OFFICE, OFFICE OF THE CHIEF OF NAVAL MATERIAL

CAPT. R. J. SCHLEICHER, USN, TRIDENT PROGRAM COORDINATION BRANCH, OFFICE OF THE DEPUTY CHIEF OF NAVAL OPERATIONS (SUBMARINE WARFARE)

CAPT. C. M. BRUNE, USN, ASSISTANT COMMANDER FOR MILITARY CONSTRUCTION PROGRAMING, NAVAL FACILITIES ENGINEERING COMMAND

CMDR. J. B. LEAP, CEC, USN, DIRECTOR, PROGRAM DEVELOPMENT DIVISION, MILITARY CONSTRUCTION PROGRAMING, NAVAL FACILITIES ENGINEERING COMMAND

A. E. SAMUEL, FACILITIES PLANNING AND PROGRAMING SECTION, FACILITIES AND SERVICES DIVISION HEADQUARTERS, U.S. MARINE CORPS

R. J. MURPHY, DIRECTOR, ATLANTIC LIAISON DIVISION, MILITARY CONSTRUCTION PROGRAMING, NAVAL FACILITIES ENGINEERING COMMAND

W. K. TAYLOR, DIRECTOR, PACIFIC LIAISON DIVISION, MILITARY CONSTRUCTION PROGRAMING, NAVAL FACILITIES ENGINEERING COMMAND

G. H. WOERNER, MILITARY CONSTRUCTION ADVISOR, MILITARY CONSTRUCTION PROGRAMING, NAVAL FACILITIES ENGINEERING COMMAND

CMDR. J. L. RENZETTI, CEC, USN, DIRECTOR, ENERGY AND UTILITIES DIVISION, NAVAL FACILITIES ENGINEERING COMMAND

CMDR. G. B. ESTES, CES, USN, AOICC PLANS AND PROGRAMS, TRIDENT, NAVAL FACILITIES ENGINEERING COMMAND

CMDR. S. C. BEUBY, CEC, USN, DIRECTOR, INDIAN OCEAN PROJECTS OFFICE, NAVAL FACILITIES ENGINEERING COMMAND

NAVY MILITARY CONSTRUCTION BUDGET REQUEST

Admiral ZOBEL. Mr. Chairman and members of the committee, I am Rear Adm. W. M. Zobel, Commander of the Naval Facilities Engineering Command. I certainly welcome the opportunity to come before you today with the Navy's military construction budget request.

Brig. Gen. Frank E. Petersen of the U.S. Marine Corps will review the Marine Corps portion of the request when we get to it.

First, with your indulgence, I would like to make some brief comments on what I think what might be special interest topics to you.

COST ESTIMATING

In times of rapidly rising construction costs, we are sometimes called upon to explain why our estimates vary from our original budget request. That is, why our final estimates, based on actual construction costs, vary from the original budget requests.

Obviously, our objective is to prepare the best possible cost estimates that we can with a degree of accuracy that will maximize the number of projects that can be included in our budget, that will minimize the number of projects that require cost variations or reprogramings and will minimize the number of projects on which we have to reduce scope.

If our estimates are high, we generate savings but we don't have the authority to use those savings in any other way, except on authorized projects. There is no statutory basis for reassigning those dollars to any other appropriation or to any other military base.

If our estimates are low then construction starts may be delayed. We may have to reduce scope, or we may have to redesign the facility, and, of course, that gives us further difficulties.

So we do our best to prepare cost estimates as accurately as we can. However, we are dealing with estimates and we are preparing them frequently 18 months in advance of the actual construction start. So there is a degree of difficulty in predicting what is going to happen 18 months in the future.

The degree of bidder interest at the time of bidding will also, as I am sure you recognize, affect the cost of the project probably more than any other factor.

We also have some uncontrollable and unforeseen economic factors of supply and demand that can cause our estimates to change.

However, with the magnitude of our program, we believe our estimates are the best possible, and we assure you that we will continue to provide our best estimates in the future.

PROGRAMING

The second item of special interest is on one of programing. We are frequently asked why a particular project is not in this year's program. Sometimes as staff members or as Congressmen visit various activities, commanding officers will indicate that a project for a hangar or for a runway is their highest priority project and when we come before you that project is not in the budget request.

I think you can understand there that it is a matter of balance and tradeoffs. The Chief of Naval Operations has a number of resource sponsors working for him, who look at weapon systems and the tradeoffs between those weapon systems and military construction programs.

When we come to the bottom line everything cannot fit in the budget and it is the Chief of Naval Operations, using his resource sponsors that develops the programs which have the highest requirements.

FAMILY SERVICE CENTERS—CHILD CARE CENTERS

It may seem just a bit unusual that the third topic I stress amidst projects that support our ships and aircraft operations, but I think it is worthy of comment because it deals with people and retention of our sailors and our trained and valued petty officers. I am talking now about family service centers and child care centers, which are included in this program. We have five family service centers at $2 million and eight child care centers at $10.7 million.

As you know, our Navy men are deployed on ships with aircraft squadrons for long periods of time. During those times, the full responsibility for raising the family and taking care of the home falls to the wife and she must handle all of the details. Many of those wives must work and most of them do. Also, some of our Navy women have children that must be cared for while they work.

We believe that it is necessary to ease the family problems in any way that we can in order to help the sailor. We have young sailors in the Navy with new wives. Moving around is new to them and, therefore, we believe we should help them.

Our family service centers are designed as one-stop centers to help those people with moving problems, with money matters, with housing matters, and marriage counseling, with employment problems, with legal problems and maybe even borrowing pots and pans.

Our child care centers take care of children of working mothers or those of our Navy women. It is not a luxury and we don't believe that there is any other alternative.

Most of these items are in the replacement category and would supplant makeshift facilities that are set up wherever space has been found on bases. They exist today in substandard form and there is a great need to replace them.

We believe it is a sound investment in improving the quality of life for our service personnel. We think the investment will be returned by retention of our key service trained personnel. I think that, too, will reflect, as you would agree, on fleet readiness.

PREPARED STATEMENT

That completes my review of three special topics, sir. If I may, I would like to submit the balance of my statement for the record and proceed in the following manner.

First, the presentation of the Marine Corps program by General Petersen, then a briefing on the Trident program, some brief remarks on our medical program, and a briefing on the Indian Ocean facilities program.

At this point General Petersen will proceed if you agree, sir.

[The prepared statement of Rear Adm. W. M. Zobel follows:]

PREPARED STATEMENT OF REAR ADM. W. M. ZOBEL, CEC, USN
COMMANDER
NAVAL FACILITIES ENGINEERING COMMAND

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM REAR ADMIRAL W. M. ZOBEL, COMMANDER OF THE NAVAL FACILITIES ENGINEERING COMMAND.

I WELCOME THE OPPORTUNITY TO REVIEW THE NAVY'S MILITARY CONSTRUCTION BUDGET. BRIGADIER GENERAL FRANK E. PETERSEN, UNITED STATES MARINE CORPS, WILL REVIEW THE MARINE CORPS' PORTION OF THE BUDGET.

FISCAL YEAR 1982 MILITARY CONSTRUCTION APPROPRIATION

THIS YEAR, THE BUDGET REQUESTS $1 BILLION, 478 MILLION IN NEW OBLIGATIONAL AUTHORITY. FOR COMPARISON, $775 MILLION WAS APPROPRIATED IN FISCAL YEAR 1981. A MAJOR PORTION OF THE INCREASE IS $204 MILLION FOR THE SAN DIEGO HOSPITAL AND THE REMAINDER OF THE INCREASE IS MADE UP OF SIGNIFICANT REQUESTS FOR POWER PLANT AND PIER PROJECTS AND VARIOUS OTHER PROJECTS TO CORRECT SHORTFALLS IN PRIOR-YEAR MILITARY CONSTRUCTION BUDGETS.

PRESENTATION HIGHLIGHTS

FIRST, I HAVE SOME BRIEF COMMENTS ON SPECIAL INTEREST TOPICS AND THEN THE APPROPRIATION REQUEST IS REVIEWED BY MAJOR COMMAND.

SPECIAL TOPICS

COST ESTIMATING

IN TIMES OF RAPIDLY RISING CONSTRUCTION COSTS, THE MILITARY DEPARTMENTS ARE REPEATEDLY CALLED UPON TO EXPLAIN THE REASONS WHY THEIR ESTIMATES VARY FROM THE BUDGET REQUEST. OUR OBJECTIVE IS TO PREPARE COST ESTIMATES WITH A DEGREE OF ACCURACY WHICH WILL:

(1) MAXIMIZE THE NUMBER OF PROJECTS INCLUDED IN AN ANNUAL BUDGET.

(2) MINIMIZE THE NUMBER OF PROJECTS WITH COST VARIATIONS AND REPROGRAMMING ACTIONS.

(3) MINIMIZE THE NUMBER OF PROJECTS WITH SCOPE REDUCTIONS.

IF OUR ESTIMATES ARE HIGH, WE GENERATE SAVINGS BUT DO NOT HAVE AUTHORITY TO USE THESE SAVINGS. NO STATUTORY BASIS EXISTS FOR REASSIGNING MILITARY CONSTRUCTION AUTHORIZATION FROM ONE INSTALLATION TO ANOTHER. IF OUR ESTIMATES ARE LOW, CONSTRUCTION START WILL BE DELAYED WHILE WE REDUCE SCOPE, REDESIGN OR

PROCESS COST VARIATION AND REPROGRAMMING ACTIONS. THE DELAY RESULTS IN INCREASED COSTS, GENERALLY NOT A PROBLEM IN A GIVEN FISCAL YEAR, BUT MAY HAVE UNSATISFACTORY LONG-TERM IMPLICATIONS.

WE DO OUR BEST TO PREPARE ACCURATE ESTIMATES AND IT WAS REASSURING TO HAVE THE GENERAL ACCOUNTING OFFICE IN A DRAFT REPORT LAST YEAR STATE AND I QUOTE: "IN GENERAL, SERVICES' COST ESTIMATING PROCEDURES FOR MILITARY CONSTRUCTION PROJECTS APPEAR REASONABLE." THE REPORT ACCURATELY POINTED OUT THAT VARIANCES IN BUDGET ESTIMATES AND CONTRACT COSTS WERE INFLUENCED BY THE DEGREE OF BIDDER INTEREST IN A PARTICULAR PROJECT, FLUCTUATIONS IN COSTS OF CERTAIN MATERIALS AND LABOR, AND DELAYS IN BID OPENING. THE GAO REPORT RAISED THE QUESTION: "WHY ACTUAL COSTS VARY FROM BUDGET ESTIMATES?" AND ANSWERED THE QUESTION THIS WAY:

1. "BECAUSE WE ARE DEALING WITH ESTIMATES, DETERMINED AT LEAST 18 MONTHS BEFORE THE CONSTRUCTION BID AND AWARD IS MADE, THE ACTUAL COST WILL ULTIMATELY BE SOMETHING LESS OR SOMETHING MORE THAN THE BUDGET ESTIMATE SUBMITTED TO THE CONGRESS. EVEN IF ESTIMATES ARE MADE BASED ON THE MOST ACCURATE INFORMATION AVAILABLE, THE ACTUAL COST ON ANY PROJECT IS SO INFLUENCED BY THE BIDDING CLIMATE, AND THE CONTRACTORS ECONOMIC CONDITION AND MOTIVATION AT THE TIME THE BID IS MADE, IT IS NOT UNUSUAL FOR THE CONTRACT AMOUNT TO BE ABOVE OR BELOW THE ESTIMATED AMOUNT."

2. "THE DEGREE OF BIDDER INTEREST PROBABLY AFFECTS THE COSTS OF PROJECTS MORE THAN ANY OTHER SINGLE FACTOR. WHEN SEVERAL CONTRACTORS ARE INTERESTED IN A PROJECT, THE COMPETITION OFTEN RESULTS IN LOWER BIDS. CONVERSELY, WHEN ONLY TWO OR THREE CONTRACTORS BID, THE COST IS APT TO BE HIGHER. BIDDER INTEREST IS AFFECTED BY SUCH FACTORS AS THE TYPE AND LOCATION OF THE PROJECT AND THE AMOUNT OF OTHER CONSTRUCTION WORK AVAILABLE TO THE POTENTIAL BIDDERS."

3. "ANOTHER REASON FOR DIFFERENCES BETWEEN COSTS AND BUDGET ESTIMATES IS FLUCTUATIONS IN COSTS OF CERTAIN MATERIALS AND LABOR. UNCONTROLLABLE AND UNFORESEEN ECONOMIC FACTORS OF SUPPLY AND DEMAND SOMETIMES CAUSE THE PRICE OF A PARTICULAR MATERIAL OR A PARTICULAR SKILL TO RISE OR FALL AT A RATE FAR IN EXCESS OF THE OVERALL RATE OF INFLATION. THEREFORE, WHEN A PARTICULAR PROJECT INCLUDES SIGNIFICANT QUANTITIES OF ONE OR MORE OF THESE FAST CHANGING ITEMS THE BUDGET ESTIMATE MAY NOT REFLECT THEIR PRICES AT THE TIME OF THE BID OPENING. SUPPLIERS ARE RELUCTANT TO QUOTE TO GOVERNMENT ESTIMATORS THE SAME COST DATA THEY GIVE TO THEIR FAVORED CUSTOMERS."

4. "IN VIEW OF THE MAGNITUDE OF THE MILITARY CONSTRUCTION PROGRAM, THE LEAD TIME REQUIRED IN PREPARING, PROCESSING, AND APPROVING THE BUDGET, AND THE NUMBER OF VARIABLES, BOTH KNOWN AND UNKNOWN, INVOLVED IN COST ESTIMATING, WE BELIEVE THAT, ON BALANCE, THE SERVICES DO A CREDITABLE JOB OF ESTIMATING COSTS FOR HUNDREDS OF PROJECTS EACH YEAR."

WE BELIEVE GAO IS CORRECT IN THEIR ASSESSMENT OF WHY COSTS VARY FROM BUDGET ESTIMATES. HOWEVER, THIS DOES NOT SOLVE THE PROBLEMS FACING US AT BUDGET TIME. THEREFORE, WE CONTINUE TO SEEK IMPROVEMENT IN COST ESTIMATING. WE WILL HAVE COST VARIATIONS AND REPROGRAMMING ACTIONS, BUT YOU CAN BE ASSURED THAT WE STRIVE TO KEEP THEM TO A MINIMUM.

PROGRAMMING

ANOTHER QUESTION OFTEN ASKED OF THE MILITARY DEPARTMENTS IS GENERALLY PREFACED BY THIS STATEMENT: "THE COMMANDING OFFICER OF NAVAL INSTALLATION (BLANK) ADVISES THAT A PROJECT FOR A NEW (BLANK) IS HIS HIGHEST PRIORITY." THEN COMES THE QUESTION, "WHY ISN'T THIS PROJECT IN THIS YEAR'S BUDGET?". THIS IS A GOOD QUESTION WHICH WE SOMETIMES FAIL TO ANSWER CONVINCINGLY. A CONVINCING ANSWER IS DIFFICULT, BECAUSE AS IN COST ESTIMATING, THERE ARE MANY VARIABLES WITHIN A GIVEN MILITARY CONSTRUCTION BUDGET AMOUNT. FURTHER, THE MILITARY CONSTRUCTION BUDGET AMOUNT IS ESTABLISHED IN COMPETITION WITH OTHER APPROPRIATIONS SUCH AS SHIPBUILDING AND CONVERSION, NAVY; AIRCRAFT PROCUREMENT, NAVY; AND WEAPONS PROCUREMENT, NAVY. GIVEN THE COMPETITION AND NUMEROUS VARIABLES WITHIN THE MILITARY CONSTRUCTION BUDGET: "HOW DOES THE NAVY BUDGET FOR MILITARY CONSTRUCTION?" BUDGET PRESENTATION TO CONGRESS IS PRECEDED BY TWO KEY STEPS, PLANNING AND PROGRAMMING, WHICH I NEED TO REVIEW BRIEFLY TO ANSWER THE QUESTION POSED.

THE PLANNING PROCESS IDENTIFIES THE FACILITIES REQUIREMENTS BASED ON MISSIONS AND TASKS ASSIGNED EACH NAVAL INSTALLATION BY THE CHIEF OF NAVAL OPERATIONS. THE MISSION AND TASKS OF A NAVAL INSTALLATION ARE DEFINED MORE PRECISELY BY A FORCE DISTRIBUTION REPORT THAT PROJECTS BASE LOADINGS FOR THE NEXT EIGHT YEARS IN TERMS OF PERSONNEL, SHIPS, AIRCRAFT, AND TENANTS. THIS FORCE DISTRIBUTION IS TRANSLATED INTO FACILITIES REQUIREMENTS TO ACCOMPLISH ASSIGNED MISSIONS AND TASKS. AS A PART OF PLANNING, FACILITIES REQUIREMENTS ARE COMPARED WITH ASSETS TO DETERMINE DEFICIENCIES OR EXCESSES. IF WE HAVE EXCESSES, THE SOLUTION IS SIMPLE; WE MOTHBALL, CONVERT TO A USE FOR WHICH A DEFICIENCY EXISTS, OR DISPOSE OF THE EXCESS FACILITIES. IF A FACILITY

DEFICIENCY EXISTS, THE REQUIREMENT IS VALIDATED BY NAVY'S FACILITY PLANNING SYSTEM AND ENTERED INTO THE MILITARY CONSTRUCTION FACILITIES REQUIREMENTS LIST. PROGRAMMING STARTS AT THIS POINT AND ITS FOUNDATION IS ANNUAL GUIDANCE PROVIDED BY THE OFFICE OF THE SECRETARY OF DEFENSE SETTING FORTH THE PROPOSED RESOURCES FOR THE NAVY FOR THE NEXT FIVE YEARS TO ACCOMPLISH ITS MISSIONS AND TASKS WITHIN NATIONAL STRATEGY. THE CHIEF OF NAVAL OPERATIONS DISTRIBUTES THESE RESOURCES TO NAVY ORGANIZATIONS CALLED RESOURCE SPONSORS, WHO ARE BASICALLY ORIENTED TO MAJOR NAVY MISSION RESPONSIBILITIES. THE RESOURCE SPONSOR DETERMINES, WITHIN HIS RESOURCES, HOW BEST TO ACCOMPLISH HIS MISSION. IF YOU ARE THE AIR WARFARE RESOURCE SPONSOR YOU MUST MAKE DECISIONS ON HOW MUCH OF YOUR PROGRAM TO DEVOTE TO AIRCRAFT, MISSILES, CARRIERS, REPAIRS, PLANT MAINTENANCE, REPLENISHMENT SPARES AND NEW OR REPLACEMENT FACILITIES. IF YOU ELECT TO PROGRAM RESOURCES TO MILITARY CONSTRUCTION TO BUILD A NEW HANGAR, YOU HAVE DECIDED TO DEFER SOME HARDWARE ACQUISITION OR MAINTENANCE. EACH RESOURCE SPONSOR MAKES SIMILAR DECISIONS. THE MILITARY CONSTRUCTION BUDGET LEVEL IS ALSO IMPACTED BY NATIONAL PROGRAMS SUCH AS POLLUTION ABATEMENT AND ENERGY. AT AN ANNUAL MEETING, FLEET AND MAJOR COMMANDERS ADVISE RESOURCE SPONSORS ON THE MOST URGENT FACILITY REQUIREMENTS. THE PROJECTS IN THE MILITARY CONSTRUCTION BUDGET THEN REFLECT THE HIGHEST PRIORITIES OF THE NAVY FOR A GIVEN BUDGET. BECAUSE OF VARIABLES MENTIONED BEFORE, THE BUDGET FORMULATION IS AN ITERATIVE PROCESS AND SUBJECT TO CHANGE. THE POINT I WISH TO STRESS IS THAT WE HAVE A LOGICAL SYSTEM THAT GIVES US CONFIDENCE IN THE DECISIONS MADE TO REQUEST AUTHORITY AND FUNDING FOR CERTAIN PROJECTS THIS YEAR AND TO DEFER OTHERS TO FUTURE BUDGETS.

OFFICE OF NAVAL RESEARCH

FOR THE OFFICE OF NAVAL RESEARCH, WE ARE REQUESTING $12.7 MILLION FOR MAJOR CONSTRUCTION AND $190 THOUSAND FOR MINOR CONSTRUCTION. THE MAJOR CONSTRUCTION WILL PROVIDE SPACE FOR AN OCEANOGRAPHIC SCIENCES LABORATORY AT THE NAVAL OCEAN RESEARCH AND DEVELOPMENT ACTIVITY, BAY ST. LOUIS, MISSISSIPPI; AND ENERGY CONSERVATION IMPROVEMENTS AT THE NAVAL RESEARCH LABORATORY, WASHINGTON, D. C.

CHIEF OF NAVAL OPERATIONS

FOR THOSE INSTALLATIONS UNDER THE DIRECT MANAGEMENT CONTROL OF THE CHIEF OF NAVAL OPERATIONS, THE MAJOR CONSTRUCTION REQUEST IS $121.4 MILLION, OF WHICH $33.3 MILLION IS FOR CONSTRUCTION OUTSIDE THE UNITED STATES. ALSO REQUESTED IS $630 THOUSAND FOR MINOR CONSTRUCTION. INCLUDED IN THE MAJOR

CONSTRUCTION TOTAL INSIDE THE UNITED STATES IS $23.1 MILLION FOR THE NAVAL SUBMARINE BASE, BANGOR, WASHINGTON, AND $65.1 MILLION FOR THE NAVAL SUBMARINE SUPPORT BASE, KINGS BAY, GEORGIA.

AT THE NAVAL SUBMARINE BASE, BANGOR, WASHINGTON, THE SIGNIFICANT PROJECTS WILL PROVIDE ADMINISTRATIVE SPACE, A COMMISSARY AND A SUPPLY SUPPORT FACILITY. OTHER PROJECTS WILL PROVIDE A CHILD CARE CENTER, IMPROVEMENTS TO THE RIFLE RANGE AND EXPLOSIVE HANDLING WHARF, AND A MAGNETIC SILENCING FACILITY PROTECTION SYSTEM.

FOR THE NAVAL SUBMARINE SUPPORT BASE, KINGS BAY, GEORGIA, $65.1 MILLION IS REQUESTED TO PROVIDE INITIAL UTILITIES AND SITE IMPROVEMENTS AND DREDGING FOR THE FIRST PHASE OF AN EAST COAST TRIDENT BASE, A WAREHOUSE, AN ADMINISTRATIVE BUILDING, ENLISTED PERSONNEL HOUSING, AND A CHILD CARE CENTER.

COMMANDER IN CHIEF, ATLANTIC FLEET

THE REQUEST FOR THE COMMANDER IN CHIEF, ATLANTIC FLEET IS $158.2 MILLION FOR MAJOR CONSTRUCTION. OF THIS TOTAL $5.2 MILLION IS FOR CONSTRUCTION OUTSIDE THE UNITED STATES. ALSO REQUESTED IS $2 MILLION FOR MINOR CONSTRUCTION.

THE SIGNIFICANT PROJECTS INSIDE THE UNITED STATES INCLUDE A $12.8 MILLION BOILER PLANT MODIFICATIONS PROJECT FOR THE NAVAL AIR STATION, BRUNSWICK, MAINE. THIS PROJECT WILL CONVERT THE CENTRAL HEATING PLANT FROM OIL-FIRED TO A COMBINED WOOD-OIL-FIRED PLANT. SAVINGS IN OPERATIONAL COSTS WILL RETURN THE CAPITAL INVESTMENT IN NINE YEARS. A $12.2 MILLION PROJECT FOR A MAINTENANCE HANGAR FOR F/A-18 AIRCRAFT AT THE NAVAL AIR STATION, CECIL FIELD, FLORIDA WILL PROVIDE SPACE FOR AN EXPANDED TRAINING MISSION AND MAINTENANCE OF 45 ADDITIONAL AIRCRAFT. AT THE NAVAL STATION, CHARLESTON, SOUTH CAROLINA, A $5 MILLION PROJECT FOR ENLISTED PERSONNEL HOUSING WILL PROVIDE SPACE FOR 300 PERSONNEL OF UNINHABITABLE SHIPS IN OVERHAUL.

SIGNIFICANT PROJECTS AT THE NAVAL AMPHIBIOUS BASE, LITTLE CREEK, VIRGINIA, WILL PROVIDE IMPROVED SPACE FOR INTERMEDIATE MAINTENANCE ASHORE OF AMPHIBIOUS SHIPS, ENLISTED PERSONNEL HOUSING MODERNIZATION FOR 785 MEN TO ELIMINATE A DEFICIENCY IN BARRACKS SPACE, AND AN OPERATIONS BUILDING FOR SPECIAL WARFARE TEAMS SEA-AIR-LAND AND UNDERWATER DEMOLITION TEAMS. AMOUNTS REQUESTED FOR THE SHORE INTERMEDIATE MAINTENANCE ACTIVITY, HOUSING AND SPECIAL WARFARE OPERATIONS BUILDING PROJECTS ARE $8.4 MILLION, $9.8 MILLION AND $6 MILLION, RESPECTIVELY.

FOR THE NAVAL SUBMARINE BASE, NEW LONDON, CONNECTICUT, A PROJECT FOR $12.8 MILLION WILL PROVIDE SPACES FOR 780 MEN TO CORRECT SEVERELY OVERCROWDED CONDITIONS.

AT THE NAVAL STATION, NORFOLK, VIRGINIA, $35 MILLION WILL PROVIDE A NEW BERTHING PIER CAPABLE OF SIMULTANEOUSLY BERTHING TWO AIRCRAFT CARRIERS OR AMPHIBIOUS ASSAULT SHIPS. ALSO AT THE NAVAL STATION, $8.2 MILLION WILL PROVIDE ENLISTED PERSONNEL HOUSING FOR 576 PERSONNEL.

FOR THE NAVAL AIR STATION, OCEANA, VIRGINIA, $8.6 MILLION WILL CONSTRUCT ADEQUATE HOUSING FOR 756 UNACCOMPANIED ENLISTED PERSONNEL.

COMMANDER IN CHIEF, PACIFIC FLEET

THE REQUEST FOR THE COMMANDER IN CHIEF, PACIFIC FLEET IS $283.2 MILLION, $193.5 OF WHICH IS FOR CONSTRUCTION OUTSIDE THE UNITED STATES. ALSO REQUESTED IS $2.9 MILLION FOR MINOR CONSTRUCTION.

THE SIGNIFICANT PROJECTS INSIDE THE UNITED STATES INCLUDE $7.5 MILLION FOR PIER IMPROVEMENTS AT THE NAVAL AIR STATION, ALAMEDA, CALIFORNIA; $7.2 MILLION FOR AN ENLISTED PERSONNEL HOUSING MODERNIZATION PROJECT TO HOUSE 584 PERSONNEL AT THE NAVAL AIR STATION, BARBERS POINT, HAWAII; AND $8.3 MILLION FOR A MAINTENANCE HANGAR AT THE NAVAL AIR STATION, FALLON, NEVADA.

THE NAVAL STATION, LONG BEACH, CALIFORNIA IS TO BE RE-ESTABLISHED AS A ACTIVE SHIP HOMEPORT TO RELIEVE CROWDED CONDITIONS IN SAN DIEGO. THE WATERFRONT IMPROVEMENTS PROJECT FOR $22 MILLION WILL PROVIDE ADEQUATE PIER SPACE, UTILITIES, AND WATER DEPTH TO ACCOMMODATE 27 SHIPS BEING REASSIGNED FROM SAN DIEGO.

OTHER SIGNIFICANT PROJECTS INSIDE THE UNITED STATES INCLUDE $12.5 MILLION FOR AN APPLIED INSTRUCTION BUILDING TO PROVIDE OPERATIONAL AND MAINTENANCE TRAINING FOR PERSONNEL OF LAMPS MARK III HELICOPTER SQUADRONS AT THE NAVAL AIR STATION, NORTH ISLAND; $9.4 MILLION AND $6.4 MILLION FOR ENLISTED PERSONNEL HOUSING PROJECTS AT THE NAVAL STATION AND NAVAL SUBMARINE BASE, PEARL HARBOR. HAWAII. THE ENLISTED PERSONNEL HOUSING PROJECTS WILL HOUSE 430 AND 288 PERSONNEL, RESPECTIVELY.

NAVAL EDUCATION AND TRAINING COMMAND

WE ARE REQUESTING $59.3 MILLION FOR MAJOR CONSTRUCTION FOR THE NAVAL EDUCATION AND TRAINING COMMAND AND $1.1 MILLION DOLLARS FOR MINOR CONSTRUCTION. THREE OF THE FOUR MAJOR PROJECTS INCLUDED IN THIS REQUEST ARE FOR ENLISTED PERSONNEL HOUSING. THEY ARE $8.8 MILLION FOR 660 PERSONNEL AT

THE NAVAL TRAINING CENTER, GREAT LAKES, ILLINOIS; $6.3 MILLION FOR 504 PERSONNEL AT THE NAVAL AIR STATION, MEMPHIS, TENNESSEE; AND $6.3 MILLION FOR 588 PERSONNEL AT THE NAVAL TRAINING CENTER, ORLANDO, FLORIDA. OTHER PROJECTS ARE FOR A $5.1 MILLION APPLIED INSTRUCTION BUILDING TO PROVIDE FACILITIES FOR PERSONNEL UNDERGOING THE RIGOROUS PHYSICAL FITNESS TRAINING SYLLABUS FOR NAVAL AVIATION, AT THE NAVAL AIR STATION, PENSACOLA, FLORIDA, AND $6.8 MILLION OPERATIONAL TRAINER FACILITY TO TRAIN PERSONNEL IN OPERATION OF TACTICAL COMMAND AND CONTROL SYSTEMS AT THE FLEET COMBAT TRAINING CENTER, PACIFIC, SAN DIEGO, CALIFORNIA.

BUREAU OF MEDICINE AND SURGERY

FOR THE BUREAU OF MEDICINE AND SURGERY, $208.7 MILLION IS REQUESTED. OF THIS TOTAL $204 MILLION IS FOR THE SECOND PHASE OF THE SAN DIEGO MEDICAL CENTER. SINCE THE CENTER WAS AUTHORIZED IN FISCAL YEAR 1981 AT $293 MILLION, NO AUTHORIZATION IS REQUESTED. WITH THIS YEAR'S FUNDING, A TOTAL OF $229 MILLION WILL HAVE BEEN APPROPRIATED. WITH THIS AUTHORITY AND APPROPRIATIONS, THE MAJOR CENTRAL FACILITIES WILL BE CONSTRUCTED. ADDITIONAL AUTHORIZATION, CURRENTLY ESTIMATED AT $13 MILLION, IS EXPECTED TO BE REQUIRED IN THE FUTURE TO CONSTRUCT AND/OR ALTER EXISTING BUILDINGS FOR THE REMAINDER OF THE MEDICAL CENTER. ADDITIONAL AUTHORIZATION AND APPROPRIATIONS WILL BE SOUGHT AFTER THE MAJOR CONTRACTS HAVE BEEN AWARDED, WHICH WILL PERMIT A MORE ACCURATE DETERMINATION OF THE TOTAL REQUIREMENT FOR AUTHORIZATION AND APPROPRIATIONS. THE OTHER $4.7 MILLION WILL PROVIDE A $3 MILLION MEDICAL CLINIC MODERNIZATION PROJECT AT THE NAVAL REGIONAL MEDICAL CLINIC, ANNAPOLIS, MARYLAND, AND TWO FACILITY ENERGY IMPROVEMENT PROJECTS.

NAVAL MATERIAL COMMAND

FOR THE CHIEF OF NAVAL MATERIAL, WE ARE REQUESTING $247.2 MILLION FOR MAJOR CONSTRUCTION TO PROVIDE FACILITIES FOR LOGISTIC SUPPORT OF THE FLEET. ALSO REQUESTED IS $2.6 MILLION FOR MINOR CONSTRUCTION.

AT THE PACIFIC MISSILE RANGE FACILITY, BARKING SANDS, HAWAII, $8.1 MILLION WILL IMPROVE AN EXISTING RUNWAY AND CONSTRUCT A NEW PARKING APRON.

THE MOST SIGNIFICANT PROJECT INCLUDED IN THIS REQUEST IS $37 MILLION FOR THE FIRST PHASE OF A NEW COAL-FIRED CENTRAL STEAM PLANT BUILDING AT THE PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON. THE PROJECT WILL BE FUNDED AND CONSTRUCTED IN TWO PHASES. THIS YEAR'S REQUEST WILL PROCURE BOILERS, RELATED EQUIPMENT, DIESEL GENERATORS, COMPRESSORS AND OTHER LONG LEAD TIME EQUIPMENT, PLUS PARTIALLY CONSTRUCT UTILITIES AND SITE PREPARATION. THE FY 1983 REQUEST WILL CONSTRUCT BOILERS AND EQUIPMENT, COMPLETE UTILITIES, DEMOLISH THE EXISTING PLANT AND CONSTRUCT THE NEW ONE. WE ARE SEEKING FULL AUTHORIZATION FOR THIS PROJECT IN THE AMOUNT OF $150 MILLION. FOR THE PUGET SOUND NAVAL SHIPYARD, WE ARE ALSO REQUESTING $7.3 MILLION FOR ENLISTED PERSONNEL HOUSING FOR 440 PERSONNEL.

FOR THE NAVAL SHIPYARD, CHARLESTON, SOUTH CAROLINA, $4.9 MILLION WILL MODERNIZE AND INCREASE THE STORAGE CAPACITY OF THE NAVY-OWNED DREDGE SPOIL DISPOSAL AREA AT THE SHIPYARD.

A MISSILE MAGAZINE PROJECT FOR $5.7 MILLION AT THE POLARIS MISSILE FACILITY ATLANTIC, CHARLESTON, SOUTH CAROLINA, WILL PROVIDE SIX MAGAZINES IN SUPPORT OF THE TRIDENT I (C-4) PROGRAM ON THE ATLANTIC COAST. THIS PROJECT WAS AUTHORIZED IN OUR FISCAL YEAR 1981 PROGRAM AT $8.4 MILLION.

AT THE NAVAL SURFACE WEAPONS CENTER, DAHLGREN, VIRGINIA, $4.9 MILLION WILL CONSTRUCT AN ELECTRONIC SYSTEMS LABORATORY FOR SURFACE WEAPONS SYSTEMS TO REPLACE AN EXISTING FACILITY WHICH IS INADEQUATE TO PRODUCE THE QUANTITY, QUALITY, AND TYPE OF SUPPORT REQUIRED BY THE FLEET.

TO HANDLE AN INCREASE IN JET AIRCRAFT ENGINE REPAIR AND OVERHAUL WORK AT THE NAVAL AIR REWORK FACILITY, JACKSONVILLE, FLORIDA, WE ARE REQUESTING $25 MILLION TO CONSTRUCT A NEW METAL COMPONENTS PLATING AND CLEANING SHOP FACILITY TO PROVIDE THE PROCESS CAPABILITY AND QUALITY REQUIRED BY MILITARY SPECIFICATIONS AND TO COMPLY WITH OCCUPATIONAL SAFETY AND HEALTH STANDARDS.

FOR THE NAVAL UNDERSEA WARFARE ENGINEERING STATION, KEYPORT, WASHINGTON, $8.3 MILLION WILL PROVIDE SHOP FACILITIES FOR THE DEVELOPMENT, EVALUATION, PRODUCTION, DELIVERY AND MAINTENANCE OF THE ADVANCED LIGHT-WEIGHT TORPEDO.

WE ARE ALSO REQUESTING $16.5 MILLION FOR ANOTHER PLATING SHOP PROJECT AT THE NAVAL AIR REWORK FACILITY, NORFOLK, VIRGINIA, WHICH WILL CONSOLIDATE AIRFRAME, ENGINE AND PROPELLER PLATING OPERATIONS FROM THREE EXISTING SHOPS INTO A SINGLE NEW FACILITY.

AT THE NAVAL SHIPYARD, PEARL HARBOR, HAWAII, THE REQUEST IS $4.9 MILLION FOR A DRYDOCKS ELECTRICAL IMPROVEMENT PROJECT AND $9.2 MILLION FOR A FIRE PROTECTION PIPELINE.

OUR SHIPYARD MODERNIZATION PROGRAM THIS YEAR IS $67 MILLION FOR EIGHT PROJECTS AT SEVEN SHIPYARDS.

OTHER PROJECTS INCLUDE $7.5 MILLION FOR A FACILITY ENERGY IMPROVEMENTS PROJECT AND $6.2 MILLION FOR A COMPRESSED BREATHING AIR SYSTEM IMPROVEMENT PROJECT, BOTH AT THE NAVY PUBLIC WORKS CENTER, PEARL HARBOR, HAWAII; $6.1 MILLION FOR A SANITARY SEWAGE COLLECTION AND TREATMENT PROJECT AT THE NAVAL ORDNANCE STATION, INDIAN HEAD, MARYLAND, AND $6.2 MILLION FOR OIL SPILL PREVENTION AT THE NAVAL SUPPLY CENTER, NORFOLK, VIRGINIA.

NAVAL TELECOMMUNICATIONS COMMAND

FOR THE NAVAL TELECOMMUNICATIONS COMMAND, WE ARE REQUESTING $8.7 MILLION OF WHICH $5.6 MILLION IS OUTSIDE THE UNITED STATES. THE $3.1 MILLION REQUESTED IN THE UNITED STATES WILL PROVIDE FOR TWO STAND-BY GENERATOR PLANTS; ONE WILL BE FOR THE NAVAL COMMUNICATIONS AREA MASTER STATION EASTERN PACIFIC, LUALUALEI, HAWAII; AND THE OTHER FOR THE NAVAL COMMUNICATIONS STATION, STOCKTON, CALIFORNIA. ALSO REQUESTED IS $920 THOUSAND DOLLARS FOR MINOR CONSTRUCTION.

NAVAL SECURITY GROUP COMMAND

THE REQUEST FOR THE NAVAL SECURITY GROUP COMMAND IS $9 MILLION, WITH THE INSIDE THE UNITED STATES AND OUTSIDE THE UNITED STATES PORTIONS BEING $5.5 MILLION AND $3.5 MILLION, RESPECTIVELY. AT THE NAVAL SECURITY GROUP ACTIVITY, ADAK, ALASKA, $5.5 MILLION WILL PROVIDE FOR A PERSONNEL HOUSING MODERNIZATION PROJECT FOR 90 PERSONNEL, AN OCEAN SURVEILLANCE FACILITY UPGRADE AND A WATER POLLUTION ABATEMENT PROJECT.

OUTSIDE THE UNITED STATES

CHIEF OF NAVAL OPERATIONS

FOR THE CHIEF OF NAVAL OPERATIONS OUTSIDE THE UNITED STATES, WE ARE REQUESTING $33.2 MILLION FOR TWO PROJECTS. THE LAND ACQUISITION PROJECT FOR $32 MILLION WILL ACQUIRE A 50-YEAR LEASE WITH 50-YEAR RENEWAL OPTION FOR APPROXIMATELY 18,200 ACRES ON THREE SEPARATE ISLANDS IN THE MARIANAS. THE PROPERTY TO BE LEASED WILL BE USED FOR AMPHIBIOUS MILITARY EXERCISES, MOBILIZATION AND LONG-RANGE DEPARTMENT OF DEFENSE CONTINGENCY PLANS FOR THE FAR EASTERN PACIFIC; A TARGET AREA FOR AIRCRAFT AND SHIP-TO-SHORE BOMBING AND OTHER DEFENSE PURPOSES.

COMMANDER IN CHIEF, ATLANTIC FLEET

FOR THE COMMANDER IN CHIEF, ATLANTIC FLEET OUTSIDE THE UNITED STATES, $5.2 MILLION WILL PROVIDE A SUPPORT FACILITIES EXPANSION PROJECT AT THE NAVAL FACILITY, BRAWDY, WALES, UNITED KINGDOM AND A CHILD CARE CENTER AT THE NAVAL STATION, KEFLAVIK, ICELAND.

COMMANDER IN CHIEF, PACIFIC FLEET

OF THE $193.5 MILLION REQUESTED FOR THIS COMMAND OUTSIDE THE UNITED STATES, $122.8 MILLION IS FOR THE NAVY SUPPORT FACILITY, DIEGO GARCIA, INDIAN OCEAN. THIS FACILITY EXPANSION PROJECT INCLUDES AIRFIELD IMPROVEMENTS, WATERFRONT FACILITIES AND OTHER FACILITIES TO SUPPORT A RAPID DEPLOYMENT FORCE IN THE INDIAN OCEAN AREA.

OTHER PROJECTS INCLUDED IN THIS REQUEST ARE $6.7 AND $5.4 MILLION FOR TWO ENLISTED PERSONNEL HOUSING PROJECTS AT THE NAVAL AIR STATION, CUBI POINT, REPUBLIC OF THE PHILIPPINES. ONE OF THE PROJECTS WILL PROVIDE NEW SPACES FOR 400 ENLISTED PERSONNEL AND THE OTHER WILL REPLACE AIR CONDITIONING SYSTEMS IN 12 PERSONNEL HOUSING BUILDINGS. AT THE NAVAL STATION, SUBIC BAY, REPUBLIC OF THE PHILIPPINES, WE ARE REQUESTING $6.8 MILLION FOR AN ENLISTED PERSONNEL HOUSING PROJECT FOR 360 PERSONNEL.

FOR NAVAL ACTIVITIES IN KENYA, WE ARE REQUESTING $26 MILLION FOR BASE SUPPORT FACILITIES AND HARBOR IMPROVEMENTS.

FOR NAVAL ACTIVITIES IN SOMALIA, WE ARE REQUESTING $24 MILLION FOR EXPANSION OF PORT AND AIRFIELD FACILITIES.

COMMANDER IN CHIEF, NAVAL FORCES EUROPE

THE REQUEST FOR COMMANDER IN CHIEF, NAVAL FORCES EUROPE IS $21.4 MILLION. THE SIGNIFICANT PROJECT IS A $9.2 MILLION MAINTENANCE HANGAR IMPROVEMENTS PROJECT AT THE NAVAL AIR FACILITY, SIGONELLA, ITALY. THIS PROJECT WILL MODERNIZE AND EXPAND FACILITIES FOR ORGANIZATIONAL AND INTERMEDIATE LEVEL MAINTENANCE OF AIRCRAFT ASSIGNED, DEPLOYED, OR TEMPORARILY SHORE-BASED AT THIS CENTRAL MEDITERRANEAN OPERATING AND LOGISTICS BASE. OTHER PROJECTS INCLUDE TWO PERSONNEL HOUSING PROJECTS FOR 576 PERSONNEL AND AN AIRCRAFT GROUND SUPPORT EQUIPMENT SHOP.

NAVAL TELECOMMUNICATIONS COMMAND

FOR THE NAVAL TELECOMMUNICATIONS COMMAND OUTSIDE THE UNITED STATES, THE REQUEST IS $5.6 MILLION FOR MAJOR CONSTRUCTION AND $920 THOUSAND FOR MINOR CONSTRUCTION. THE MAJOR CONSTRUCTION WILL PROVIDE AN ANTENNA TOWER AND HELIX HOUSE AT THE NAVAL COMMUNICATION STATION, KEFLAVIK, ICELAND AND A TRANSMITTER FACILITY AT THE NAVAL COMMUNICATION STATION, PONCE, PUERTO RICO.

NAVAL SECURITY GROUP COMMAND

FOR THE NAVAL SECURITY GROUP COMMAND, $3.5 MILLION WILL PROVIDE A

PERSONNEL HOUSING PROJECT FOR 93 PERSONNEL AND AN OCEAN SURVEILLANCE BUILDING ADDITION BOTH AT THE NAVAL SECURITY GROUP ACTIVITY, EDZELL, SCOTLAND.

POLLUTION ABATEMENT

THE NAVY'S POLLUTION ABATEMENT PROGRAM IS ORIENTED TO COMPLY WITH FEDERAL, STATE AND LOCAL ENVIRONMENTAL LAWS. SINCE 1968, OVER $600 MILLION HAS BEEN AUTHORIZED AND APPROPRIATED TO CORRECT POLLUTION DEFICIENCIES. WE HAVE ACCOMPLISHED PRACTICALLY ALL OF THE BASIC POLLUTION ABATEMENT SUCH AS AIR EMISSIONS, WASTEWATER TREATMENT, AND THE ELIMINATION OF OPEN DUMPS.

THE FISCAL YEAR 1982 POLLUTION ABATEMENT PROGRAM REQUEST INCLUDES 17 PROJECTS FOR $35.8 MILLION. THERE ARE EIGHT OIL SPILL PREVENTION PROJECTS, SIX SANITARY SEWAGE COLLECTION AND TREATMENT PROJECTS, ONE INDUSTRIAL WASTE COLLECTION AND TREATMENT PROJECT, AND TWO SOLID WASTE DISPOSAL SYSTEM PROJECTS WITH REQUESTED AMOUNTS OF $19.5 MILLION, $12.9 MILLION, $1.4 MILLION AND $2.0 MILLION, RESPECTIVELY.

ENERGY CONSERVATION

THE ENERGY CONSERVATION INVESTMENT PROGRAM IS THE SINGLE MOST IMPORTANT ELEMENT IN OUR EFFORT TO ATTAIN A 20 PERCENT REDUCTION IN FACILITIES ENERGY USE BY 1985. OUR FISCAL YEAR 1982 PROGRAM INVESTMENT OF $50 MILLION WILL BE RETURNED IN 4.8 YEARS AND THE ENERGY CONSERVATION FEATURES WILL SAVE APPROXIMATELY 280,000 BARRELS OF OIL EQUIVALENT (BOE) EACH YEAR.

THIS YEAR'S PROGRAM CONTAINS: (1) SEVEN LIGHTING SYSTEMS PROJECTS FOR $3.2 MILLION WITH A 2.6-YEAR PAYBACK AND A 24,700 BOE SAVINGS; (2) THIRTEEN FACILITY ENERGY IMPROVEMENT PROJECTS FOR $26.9 MILLION WITH A 4.3-YEAR PAYBACK AND A 162,800 BOE SAVINGS; (3) THREE BOILER PLANT MODIFICATION PROJECTS FOR $17.5 MILLION WITH A 8-YEAR PAYBACK AND A 79,800 BOE SAVINGS; (4) FOUR HEATING, VENTILATION, AIR CONDITIONING PROJECTS FOR $710 THOUSAND WITH A 2.5-YEAR PAYBACK AND A 4,900 BOE SAVINGS; (5) ONE STEAM AND CONDENSATE SYSTEMS PROJECT FOR $450 THOUSAND WITH A 2.8-YEAR PAYBACK AND A 2,400 BOE SAVINGS; AND (6) FIVE WEATHERIZATION PROJECTS FOR $1.2 MILLION WITH A 3.1-YEAR PAYBACK AND A 8,700 BOE SAVINGS.

FROM FISCAL YEAR 1976 THROUGH 1982, THE NAVY'S ENERGY CONSERVATION INVESTMENT PROGRAM TOTALS $277.5 MILLION AND IS EXPECTED TO ACHIEVE A SAVINGS OF OVER TWO MILLION BARRELS OF OIL EQUIVALENT PER YEAR AT OUR SHORE FACILITIES.

OCCUPATIONAL SAFETY AND HEALTH CONSTRUCTION

THE NAVY OCCUPATIONAL SAFETY AND HEALTH PROGRAM IS DIRECTED TOWARD MAKING

THE WORKPLACE SAFER. ITS MAJOR ELEMENTS ARE AN INSPECTION PROGRAM, A WORKPLACE MONITORING AND PERSONNEL HEALTH RECORD SURVEILLANCE PROGRAM, AND A DEFICIENCY ABATEMENT PROGRAM.

THE FY 1982 PROGRAM WILL ACCOMPLISH TWO VENTILATION IMPROVEMENT PROJECTS FOR $1.3 MILLION, TWO HAZARDOUS MATERIAL STORAGE PROJECTS FOR $4.8 MILLION, AN ASBESTOS CONTROL PROJECT FOR $2.2 MILLION, AND A BREATHING AIR SYSTEM SAFETY IMPROVEMENTS PROJECT FOR $6.2 MILLION FOR A TOTAL OF $14.5 MILLION.

SUMMARY

THE NAVY'S FISCAL YEAR 1982 MILTARY CONSTRUCTION BUDGET IS STRUCTURED TO ACHIEVE AN APPROPRIATE BALANCE BETWEEN NEW MISSION FACILITY REQUIREMENTS OF THE NAVY, QUALITY OF LIFE OBJECTIVES, AND CONTRIBUTE TO THE SOLUTION OF NATIONAL ENERGY AND ENVIRONMENTAL PROBLEMS BY CONTINUING THE NAVY'S AGGRESSIVE PROGRAMS IN THESE AREAS.

FISCAL YEAR 1982 MILITARY CONSTRUCTION PROGRAM APPROPRIATION SUMMARY BY MAJOR COMMAND

(DOLLARS IN THOUSANDS)

Major Command	Budget Request	% of Program	Minor Construction	Pollution Abate.	Energy Conservation	OSH
Inside the United States						
Marine Corps	$108,220	7.3	(1,920)	(8,130)	(2,180)	(0)
Office of Naval Research	12,700	0.9	(190)	(0)	(6,990)	(0)
Chief of Naval Operations	88,160	6.0	(630)	(250)	(380)	(0)
Commander in Chief, Atlantic Fleet	153,040	10.4	(1,700)	(480)	(13,580)	(0)
Commander in Chief, Pacific Fleet	89,710	6.1	(1,720)	(790)	(1,080)	(0)
Naval Education and Training Command	59,280	4.0	(1,080)	(0)	(0)	(0)
Bureau of Medicine and Surgery	208,660	14.1	(0)	(0)	(1,660)	(0)
Chief of Naval Material	247,208	16.7	(2,550)	(23,910)	(21,588)	(14,460)
Naval Telecommunications Command	3,130	0.2	(0)	(510)	(0)	(0)
Naval Security Group Command	5,510	0.3	(0)	(510)	(0)	(0)
Subtotal	975,618	66.0	(9,790)	(34,020)	(47,458)	(14,460)
Outside the United States						
Marine Corps	-	-	(480)	(0)	(480)	(0)
Chief of Naval Operations	33,250	2.3	(0)	(0)	(0)	(0)
Commander in Chief, Atlantic Fleet	5,150	0.4	(280)	(0)	(280)	(0)
Commander in Chief, Pacific Fleet	193,530	13.1	(1,200)	(1,750)	(1,780)	(0)
Commander in Chief, Naval Forces Europe	21,350	1.4	(0)	(0)	(0)	(0)
Naval Telecommunications Command	5,600	0.4	(920)	(0)	(0)	(0)
Naval Security Group Command	3,515	0.2	(0)	(0)	(0)	(0)
Subtotal	262,395	17.8	(2,880)	(1,750)	(2,540)	(0)
TOTAL	1,238,013	83.8	(12,670)	(35,770)	(49,998)	(14,460)
Minor Construction	34,270	2.3				
Specified	(12,670)	(0.8)				
Exigent	(21,600)	(1.5)				
Continuing Authority	99,700	6.7				
Planning and Design	(83,700)	(5.6)				
Access Roads	(16,000)	(1.1)				
Underfunding	105,817	7.2				
Total and New Obligational Authority	1,477,800	100.0				

(Note: Major Command totals do not include minor construction. All minor construction is included under the minor construction total at end. Total for minor construction includes pollution abatement, energy conservation and OSH projects. Totals for pollution abatement, energy conservation and OSH include minor construction.)

( ) Non-Add.

FISCAL YEAR 1982 MILITARY CONSTRUCTION PROGRAM
APPROPRIATION SUMMARY BY FACILITIES CATEGORIES

(DOLLARS IN THOUSANDS)

Description	Navy	Marine Corps	Total	% of Program	Minor Construction	Pollution Abate.	Energy Conservation	OSH
Operational	258,840	13,500	272,340	18.4	(970)	(2,120)	(240)	(0)
Training	45,800	3,350	49,150	3.3	(1,360)	(0)	(0)	(0)
Maintenance & Production	122,450	17,910	140,360	9.5	(770)	(4,150)	(7,310)	(4,060)
RDT&E	33,220	0	33,220	2.2	(360)	(0)	(7,160)	(0)
Supply	30,970	1,750	32,720	2.2	(990)	(7,350)	(1,020)	(4,200)
Medical	207,560	0	207,560	14.1	(120)	(0)	(680)	(0)
Administrative	22,400	0	22,400	1.5	(690)	(0)	(340)	(0)
Housing & Community Facs.	152,535	55,410	207,945	14.1	(3,020)	(0)	(400)	(0)
(BHousing)	(134,765)	(49,400)	(184,165)	(12.5)	((780))	((0))	((400))	((0))
(CSupport)	(17,770)	(6,010)	(23,780)	(1.6)	((2,240))	((0))	((0))	((0))
Utilities	223,588	13,750	237,338	16.1	(4,390)	(22,150)	(32,848)	(6,200)
Real Estate	34,980	0	34,980	2.4	(0)	(0)	(0)	(0)
TOTAL	1,132,343	105,670	1,238,013	83.8	(12,670)	(35,770)	(49,998)	(14,460)
Minor Construction			34,270	2.3				
Specified			(12,670)	(0.8)				
Exigent			(21,600)	(1.8)				
Continuing Authority			99,700	6.7				
Planning and Design			(83,700)	(5.6)				
Access Roads			(16,000)	(1.1)				
Underfunding			105,817	7.2				
Total and New Obligational Authority			1,477,800	100.0				

(Note: Facility category totals do not include minor construction. All minor construction is included under the minor construction total at end. Total for minor construction includes pollution abatement, energy conservation and OSH projects. Totals for pollution abatement, energy conservaton and OSH include minor construction.)

WILLIAM MARSHALL ZOBEL

Rear Admiral William M. Zobel was born July 20, 1929 in Charleston, Soutn Carolina, the son of Captain W. A. Zobel, CEC, USN (RET) and Ruth (Marshall) Zobel. He attended the Citadel, in Charleston, for two years before accepting an appointment to the U. S. Naval Academy. He graduated from Annapolis with the Class of '52 and was commissioned Ensign on 6 June 1952.

He spent two years as Fire Control Division Officer in the USS WORCESTER cruising the Mediterranean and Caribbean Seas.

He entered Rensselaer Polytechnic Institute, Troy, N. Y., in March 1954 and graduated in September 1955 with a Bachelor of Science degree in Civil Engineering. His first two years of duty with the Civil Engineer Corps were spent at Naval Air Station, Cecil Field, Florida, where he was Deputy Resident Officer in Charge of Construction (DROICC) supervising major construction projects for a new Master Jet Base.

Rear Admiral Zobel transferred to the Marine Corps Supply Center, Albany, Georgia, in December 1957, and until September 1959, he served as that station's Public Works Officer and ROICC. He then joined Naval Mobile Construction Battalion FIVE and served as Operations Officer during the construction of Navy and Marine Corps facilities on Guam and Okinawa.

He was accepted for postgraduate training and became a student at the Naval Postgraduate School, Monterey, California, where he earned a Master of Science degree in Physics in May 1963, specializing in Nuclear Engineering.

Assigned as Officer in Charge, Naval Nuclear Power Unit, Fort Belvoir, Virginia, Rear Admiral Zobel was responsible for field aspects of the Navy's shore-based nuclear power program, and the overall operation and administration of the first Navy-operated nuclear power plant in the Antarctic. He participated in "Summer" Deepfreeze operations in 1963 and 1964.

He left Fort Belvoir in May 1965 for Naval Air Station, Oceana, Virginia Beach, Virginia, where he served as Public Works Officer, OICC and ROICC until January 1967.

Rear Admiral Zobel was then assigned to Headquarters, Naval Facilities Engineering Command, to direct the Technical Division giving support to primary witnesses during Congressional hearings on military construction. He held this position until June 1970, and then transferred to Vietnam to be Chief of Staff, THIRD Naval Construction Brigade in Siagon.

He took command of the THIRTY-SECOND Naval Construction Regiment in December 1970, and held that post until May 1971.

From June 1971 through July 1973, Rear Admiral Zobel served as Commanding Officer of the Construction Battalion Center in Gulfport, Mississippi, and Commander of the 20th Naval Construction Regiment.

His next duty station was Washington, D. C., where he was Head of the Program Appraisal and Information Branch of the Office of Chief of Naval Operations as well as Deputy Director, Department of the Navy, Program Information Center. He completed this tour of duty in July 1975.

Between July 1975 and July 1977, he served as Commanding Officer of the Navy Public Works Center, Norfolk, Virginia; and in August 1977, he was assigned as Director, Construction Operation and Facilities Management Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics).

Rear Admiral Zobel became Vice Commander, Naval Facilities Engineering Command and Deputy Chief of Civil Engineers on 1 December 1978 and became the Commander, Naval Facilities Engineering Command and Chief of Civil Engineers on 15 January 1981.

Rear Admiral Zobel is married to the former Mary Keller Counts of Charleston, and Columbia, S.C. They have three sons - Lieutenant William Counts Zobel, USN, David Marshall Zobel and James Walter Zobel. He holds memberships in Tau Beta Pi, Chi Epsilon and Sigma Xi, national honorary engineering and scientific societies, and is a registered Professional Engineer in the State of Massachusetts.

He has received the Defense Superior Service Medal, the Legion of Merit with Combat V, three Meritorious Service Medals, the Meritorious Unit Commendation, and wears the following campaign and service medals; Antarctic Service; European Occupation; National Defense with Star; Expert Pistol; Vietnam service; Vietnam Campaign Medal and the Vietnamese Civic Action Medal.

U.S. Marine Corps

STATEMENT OF BRIG. GEN. FRANK E. PETERSEN, U.S. MARINE CORPS, DIRECTOR, FACILITIES AND SERVICES DIVISION, OFFICE OF THE DEPUTY CHIEF OF STAFF (INSTALLATIONS AND LOGISTICS), HEADQUARTERS, USMC

BUDGET REQUEST

Senator **Mattingly**. General Petersen.

General **Petersen**. Good morning, Mr. Chairman.

In the interest of saving time, I would just like to highlight my statement and provide my formal statement for the record.

Mr. Chairman, the Marine Corps continues to apply the majority of its available military construction funds to the improvement of the quality of life of the individual marine. In this regard $53,500,000 of our $99,830,000 request is directed to this category of projects.

Also of primary importance to the Commandant are projects which directly or indirectly affect combat readiness. In these categories we are requesting $17,330,000 for operational-type projects and $18,860,000 for projects which will improve or replace inadequate maintenance facilities.

The remaining request is for $10,140,000 to fund two utility improvement projects, an ordnance security project, the construction of a warehouse and two fire station projects.

PREPARED STATEMENT

Mr. Chairman, that completes the overview of the Marine Corps fiscal year 1982 military construction request. I will be happy to answer any questions the committee may have.

Senator **Mattingly**. Thank you. Your prepared statement will be inserted in the record at this point.

General **Petersen**. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF BRIG. GEN. F. E. PETERSEN

THE DIRECTOR, FACILITIES AND SERVICES DIVISION
OFFICE OF THE DEPUTY CHIEF OF STAFF
(INSTALLATIONS AND LOGISTICS)
U. S. MARINE CORPS

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, IT IS A PLEASURE TO PRESENT THE MARINE CORPS PORTION OF THE DEPARTMENT OF THE NAVY FISCAL YEAR 1982 MILITARY CONSTRUCTION APPROPRIATIONS REQUEST.

BEFORE OUTLINING THE DETAILS OF THE MARINE CORPS REQUEST, I WOULD LIKE TO TAKE THIS OPPORTUNITY TO CONVEY THE MARINE CORPS APPRECIATION FOR THE SUBSTANTIAL SUPPORT THIS COMMITTEE HAS GIVEN IN THE PAST TO OUR MILITARY CONSTRUCTION REQUESTS. AS A RESULT OF THIS SUPPORT, OUR MILITARY CONSTRUCTION FUNDING LEVELS HAVE MATERIALLY INCREASED. I EARNESTLY SOLICIT YOUR CONTINUED SUPPORT.

OVER THE PAST SEVERAL YEARS, THE MARINE CORPS HAS APPLIED THE MAJOR PORTION OF ITS MILITARY CONSTRUCTION EFFORT TO IMPROVING THE QUALITY-OF-LIFE OF THE INDIVIDUAL MARINE. THIS POLICY IS CARRIED FORWARD IN THIS YEAR'S BUDGET REQUEST AND IS PROJECTED THROUGHOUT THE NEXT FIVE YEARS. HOWEVER, DESPITE THE EMPHASIS WE ARE PLACING ON QUALITY-OF-LIFE PROJECTS WE DO NOT EXPECT TO ELIMINATE OUR UNACCOMPANIED PERSONNEL HOUSING DEFICIENCIES BEFORE 1995 BASED ON PROJECTED FUNDING LEVELS.

THE MARINE CORPS REQUEST FOR MILITARY CONSTRUCTION APPROPRIATION FOR FISCAL YEAR 1982 TOTALS $99,830,000. THIS IS SUPPLEMENTED BY A NAVY REQUEST FOR $10,790,000 IN SUPPORT OF POLLUTION ABATEMENT AND ENERGY CONSERVATION PROJECTS AT MARINE CORPS ACTIVITIES, BRINGING THE TOTAL REQUEST IN SUPPORT OF MARINE CORPS CONSTRUCTION REQUIREMENTS TO $110,620,000.

OUR EMPHASIS ON QUALITY-OF-LIFE PROJECTS THIS YEAR FOCUSES ONCE AGAIN ON UNACCOMPANIED ENLISTED PERSONNEL HOUSING FOR WHICH WE ARE REQUESTING $44,000,000 TO PROVIDE 3096 BILLETING SPACES

AT FIVE MARINE CORPS ACTIVITIES. WE ARE ALSO REQUESTING $5,400,000 FOR THE MODERNIZATION OF FIVE DINING FACILITIES, $2,650,000 FOR A GYMNASIUM AND $1,450,000 FOR A CHAPEL. THUS, OUR TOTAL REQUEST FOR QUALITY-OF-LIFE PROJECTS IS $53,500,000. THIS FIGURE REPRESENTS 54 PERCENT OF OUR FY 82 REQUEST AND IS INDICATIVE OF THE COMMANDANT'S CONTINUING POLICY OF IMPROVING THE QUALITY-OF-LIFE OF THE INDIVIDUAL MARINE.

ALSO OF PRIMARY IMPORTANCE TO THE COMMANDANT ARE THOSE PROJECTS WHICH AFFECT COMBAT READINESS WITH THE IMPROVEMENTS OF WORK SPACES AND OPERATIONAL AREAS THROUGHOUT THE MARINE CORPS. IN THESE CATEGORIES WE ARE REQUESTING $17,330,000 FOR EIGHT OPERATIONAL PROJECTS AT SIX MARINE ACTIVITIES AND $18,860,000 FOR PROJECTS WHICH WILL IMPROVE OR REPLACE INADEQUATE MAINTENANCE FACILITIES.

ROUNDING OUT OUR PROGRAM, WE ARE REQUESTING $6,000,000 FOR TWO UTILITY IMPROVEMENT PROJECTS, $480,000 TO IMPROVE ORDNANCE SECURITY AT ONE OF OUR AIR STATIONS, $1,910,000 FOR TWO FIRE STATION PROJECTS AND $1,750,000 FOR A WAREHOUSE.

MR. CHAIRMAN, THAT COMPLETES THE OVERVIEW OF THE MARINE CORPS FY 1982 MILITARY CONSTRUCTION REQUEST. I WILL BE HAPPY TO ANSWER ANY QUESTIONS THE COMMITTEE MAY HAVE.

BIOGRAPHICAL SKETCH

Brigadier General Frank E. Petersen is the Director, Facilities and Services Division, Installations and Logistics Department, Headquarters Marine Corps, Washington, D. C.

General Petersen was born March 2, 1932, in Topeka, Kansas. He graduated from Topeka High School in 1949, and attended Washburn University in Topeka for one year prior to joining the service in June of 1950. He later continued his education at George Washington University, Washington, D. C., receiving his bachelor's degree in 1967 and his master's degree in 1973.

He enlisted in the U.S. Navy in 1950 serving as an electronics technician and in 1951 entered the Naval Aviation Cadet Program. In October 1952, he was designated a Naval Aviator and accepted a commission as a second lieutenant in the Marine Corps.

Since that time he has served in a variety of assignments as a fighter pilot. He has also attended the Amphibious Warfare School, Quantico, Va., the Aviation Safety Officers course at the University of Southern California, and the National War College, Washington, D.C. class of 1973.

During the Korean conflict, he flew 60 combat missions, and while serving as a fighter squadron commander in Vietnam 1968-69, he flew 300 combat missions. He reported to Headquarters Marine Corps, Washington, D.C., in July 1969, as Tactical Air Planner and Programmer for the Deputy Chief of Staff for Aviation. During April 1970, he was reassigned as the Special Assistant for Minority Affairs to the Commandant of the Marine Corps, G-1 Division. He was then assigned to the Marine Corps Air Station, Cherry Point, N.C., where he first served as the 2d Wing Comptroller before assuming command of MAG-32, flying the AV8A Harrier aircraft. He was promoted to colonel in July 1975.

Prior to returning again overseas, he served as Executive Assistant to the Assistant Commandant of the Marine Corps. During August 1978, he arrived on Okinawa and served as Chief of Staff for the 9th Marine Amphibious Brigade. While serving in this capacity, he was selected for promotion to brigadier general in February 1979. On April 27, he was advanced to his present grade and assigned duty as Deputy Director for Operation, J-3, National Military Command Center, Joint Chiefs of Staff, Washington, D.C. General Petersen assumed his current assignment in June 1980.

His decorations and medals include: the Defense Distinguished Service Medal; the Legion of Merit with Combat "V"; the Distinguished Flying Cross; Meritorious Service Medal; Air Medal with Numeral 14; Purple Heart; Combat Action Ribbon; Presidential Unit Citation; Navy Unit Commendation; the Meritorious Unit Commendation; National Defense Service Medal with bronze star; Korean Service Medal with two bronze stars; Vietnam Service Medal with two bronze stars; Korean Presidential Unit Citation; Republic of Vietnam Meritorious Unit Citation Gallantry Cross Color; the Republic of Vietnam Meritorious Unit Citation Civil Actions Color, 1st Class; the Republic of Vietnam Campaign Medal with Device; and the United Nations Service Medal.

Brigadier General Petersen is married to the former Alicia Downes of Philadelphia, Pennsylvania.

TRIDENT PROGRAM

Admiral ZOBEL. Mr. Chairman, at this point, we would like to bring the committee up to date on the TRIDENT program with about a 20-minute briefing. During or after that briefing, Rear Admiral Murray, who is our Trident project manager, and I would then be prepared to answer any questions you might have on that program.

If you agree, we will proceed.

Senator MATTINGLY. Please do.

Admiral ZOBEL. We will begin the briefing by providing an update on the status of the Trident submarine procurement and the need for an east coast Trident submarine base.

Capt. R. J. Schleicher of the Office of the Deputy Chief of Naval Operations for Submarine Warfare will begin.

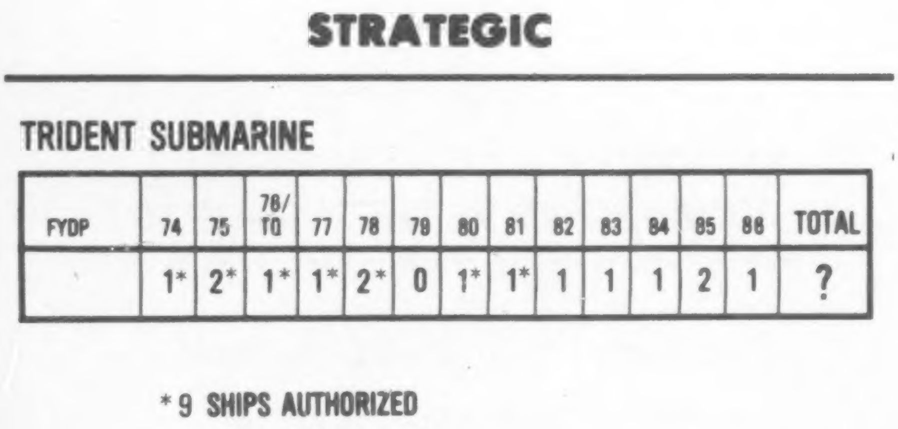
Captain Schleicher.

Captain SCHLEICHER. Good morning, Mr. Chairman, and gentlemen.

Since November 15, 1960, when the first Polaris missile submarine put to sea on its initial patrol, the fleet ballistic missile submarine force has provided this country with its most survivable and enduring element in the strategic deterrent system.

As you are aware, the Trident submarine and a new or improved missile are the principal features in the current modernization program for the submarine-launched ballistic missile or SLBM force.

Since the beginning of the Trident program the total number of Trident submarines to be built has not been specified. Although the Navy initially planned a Trident procurement rate of three ships ever 2 years, the actual authorization rate to date has been about one per year.



STRATEGIC

TRIDENT SUBMARINE

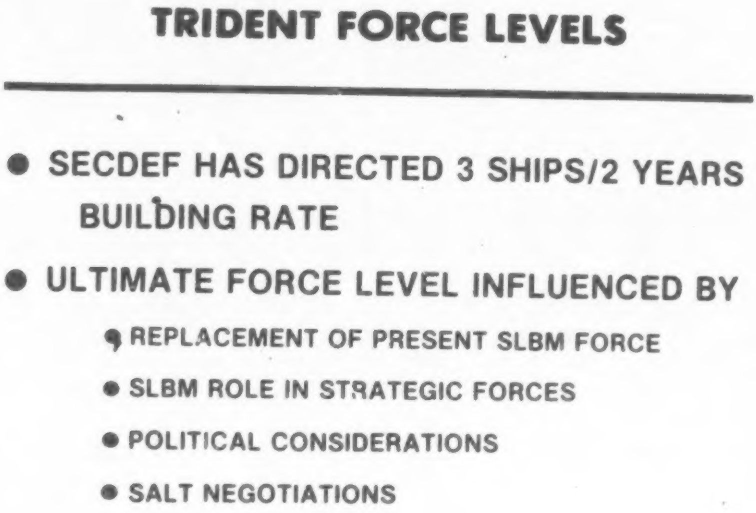
FYDP	74	75	76/TQ	77	78	79	80	81	82	83	84	85	86	TOTAL
	1*	2*	1*	1*	2*	0	1*	1*	1	1	1	2	1	?

*9 SHIPS AUTHORIZED

SLIDE 1

AUTHORIZED SHIPS

The Navy presently has nine ships authorized. Two more ships for a total of 11 have had long-lead procurement authorized. The total number of Trident submarines in the President's 5-year defense plan is 15 and they will resume at a three-every-2-year building rate in fiscal year 1985.



TRIDENT FORCE LEVELS

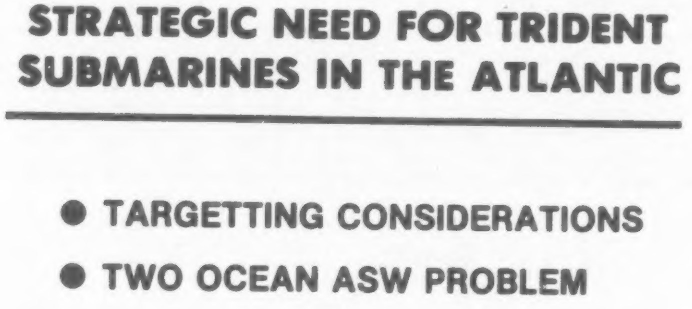
- SECDEF HAS DIRECTED 3 SHIPS/2 YEARS BUILDING RATE
- ULTIMATE FORCE LEVEL INFLUENCED BY
  - REPLACEMENT OF PRESENT SLBM FORCE
  - SLBM ROLE IN STRATEGIC FORCES
  - POLITICAL CONSIDERATIONS
  - SALT NEGOTIATIONS

SLIDE 2

REVIEW OF TRIDENT FORCE LEVELS

The ultimate Trident force level is under continuing review and will be influenced by several interrelated factors. Primary among these will be the requirement to replace our currently operational SSBN forces as a result of aging and technological obsolescence; possible changes in the rule SLBM's will play in the future U.S. mix of strategic forces; political considerations such as the requirement for essential equivalence; and SALT considerations.

Our new submarine base at Bangor, Wash., is constructed for a squadron of 10 submarines. These initial 10 Trident submarines will increase our Nation's strategic deterrent posture in the Pacific.



STRATEGIC NEED FOR TRIDENT SUBMARINES IN THE ATLANTIC

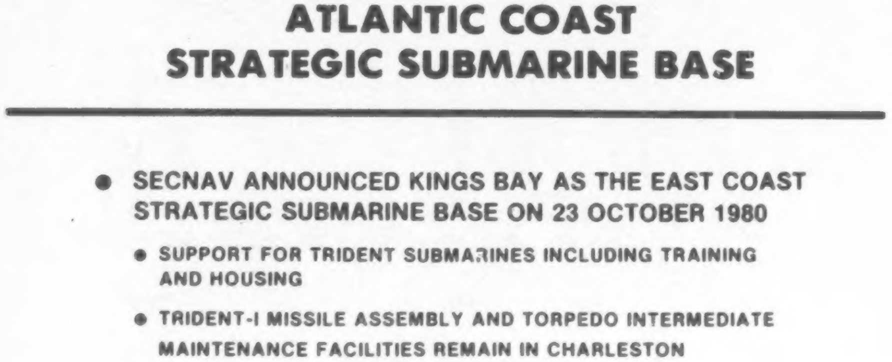
- TARGETTING CONSIDERATIONS
- TWO OCEAN ASW PROBLEM

SLIDE 3

EAST COAST TRIDENT BASING

There is a need, however, for the east coast basing of a second Trident submarine squadron. The nature, concentration and location of the Soviet targets dictate for Atlantic east coast basing of the Trident submarines with the potential Trident II (D-5) sized missiles.

This will accommodate retirement of our Poseidon submarines that are in the Atlantic. Replacing them with the modern, quiet Trident submarines will maintain a two-ocean antisubmarine warfare problem for the Soviets. It is essential to maintain a two-ocean strategic force to counter any Soviet current or projected antisubmarine warfare threat.



ATLANTIC COAST STRATEGIC SUBMARINE BASE

- SECNAV ANNOUNCED KINGS BAY AS THE EAST COAST STRATEGIC SUBMARINE BASE ON 23 OCTOBER 1980
  - SUPPORT FOR TRIDENT SUBMARINES INCLUDING TRAINING AND HOUSING
  - TRIDENT-I MISSILE ASSEMBLY AND TORPEDO INTERMEDIATE MAINTENANCE FACILITIES REMAIN IN CHARLESTON

SLIDE 4

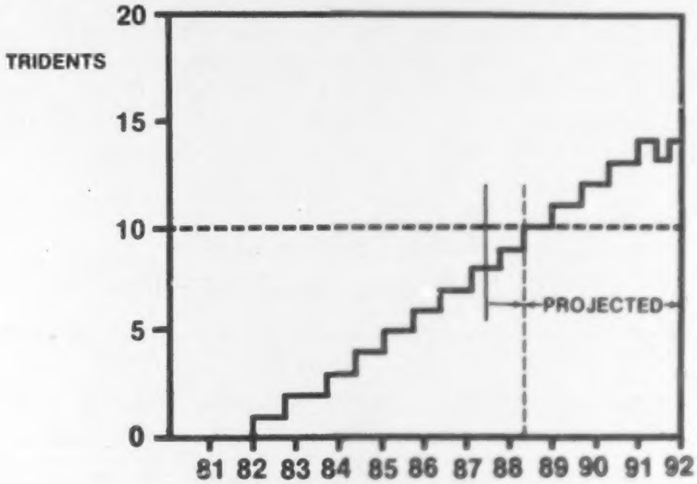
ATLANTIC COAST BASE SELECTION

In response to this need the Secretary of the Navy announced in October 1980 that Kings Bay, Ga., had been selected as the location for the construction of the Trident Atlantic coast strategic submarine base. This announcement culminated the evaluation and analysis of many different base locations, operational capabilities, ability to satisfy the larger explosive safety arcs required by the more powerful propellant in the Trident missile, and costs, as well as environmental and social impacts.

This selection was also made following the filing of the final supplement environmental impact statement and full consideration of the impacts as required by environmental regulations and procedures.

As you recall, the site of Kings Bay, Ga., has been in use since July 1979 for the Poseidon squadron that was relocated from Rota, Spain. At present the base provides austere and minimal ashore support for this submarine tender based squadron.

PROJECTED TRIDENTS



Slide 5

KINGS BAY BASE

Several factors dictate when we will need the base at Kings Bay ready to support Trident submarines, only one of which is based upon the Trident shipbuilding rate. As previously mentioned the base at Bangor is sized for 10 submarines. The projected shipbuildıg rate indicates that the 11th submarine will be delivered in 989.

SLBM UPGRADE PROGRAM

- OPTION TO INCORPORATE IMPROVED ACCURACY
- OPTION TO INCORPORATE IMPROVED ACCURACY AND INCREASED PAYLOAD IN NEW TRIDENT- II (D-5) MISSILE
  - WOULD PROVIDE HARD TARGET KILL CAPABILITY
  - WOULD MAKE TRIDENT FORCE MORE COST EFFECTIVE
  - CURRENT FUNDING CONSTRAINTS PREVENT COMMITMENT TO FULL SCALE ENGINEERING DEVELOPMENT

Slide 6

IOC OF TRIDENT II

A second factor is the IOC of the Trident II or follow-on missile. The Secretary of Defense, in his SLBM modernization report to Congress last year, adopted an advanced development program which commenced this year and culminates in fiscal year 1983 with a selection decision of a follow-on missile option that will support a calendar year 1989 IOC.

The Trident I development program was an unqualified success, and since the follow-on missile is an evolutionary process with little or no technological risks involved, no problems are anticipated in meeting the directed IOC date.

It is the plan of the Navy to incorporate this new missile and the modern Trident submarine into the Atlantic as soon as possible in order to upgrade and maintain the two-ocean strategic force. The construction at Kings Bay has been phased to support these requirements to be ready in 1989. Kings Bay is the only base on the east coast with the required explosive handling arc for the current Trident missile and any modernized missile contemplated.

Since studies have shown that the larger Trident II (D-5) sized missile is the most cost and militarily effective candidate, it is the one most likely for selection in fiscal year 1983 and will require construction of assembly, handling, and production facilities.

Due to the desire to introduce this missile into the fleet with the least disruption to ongoing operations and for strategic targeting requirements, Kings Bay becomes the most logical choice.

Once Kings Bay is established with the follow-on missile the strategic weapons facilities at Bangor will be upgraded to accommodate Trident submarines that have been converted to carry the new missile during their overhauls.

In the event some upgrade of the current Trident I missile is selected instead of the larger, more capable Trident II missile, these assembly and production facilities will remain in Charleston, S.C., and a tender equivalent missile facility would be constructed at Kings Bay.

Commander Estes will now describe the status of the current construction at Bangor, Wash., and the scope of the proposed Trident base at Kings Bay, Ga.

Commander **Estes**. Good morning, Mr. Chairman.

PROGRAMS

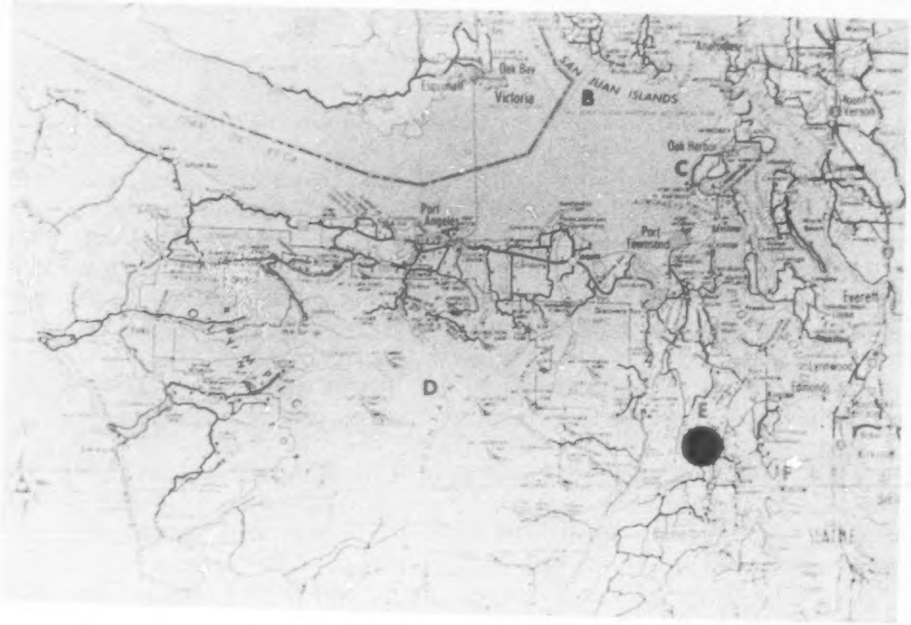
- NAVAL SUBMARINE BASE BANGOR - TRIDENT 10 SHIP
- NSSB, KINGS BAY - POSEIDON RELOCATION
- NSSB, KINGS BAY - TRIDENT

Slide 7

In discussing the construction status and plans in support of the Trident system I will be talking about three separate programs:

The Trident program at the naval submarine base at Bangor, Wash.; the Poseidon relocation program at Kings Bay, Ga.; and finally the Trident program at Kings Bay.

First, I would like to look at the Naval Submarine Base, Bangor, Wash.


Oak Bay
Esquimalt
Victoria
SAN JUAN ISLANDS
B
Anacortes
Mount Vernon
Oak Harbor
C
Port Angeles
Port Townsend
Everett
Lynnwood
Edmonds
D
E
F

SLIDE 8

BANGOR, WASH., SUBMARINE BASE

Bangor is located northwest of Seattle along the Hook Canal shown here by the black dot.

TRIDENT MILCON PROGRAM
BANGOR, WASHINGTON
($000,000)

	FY74—81	FY82	TO COMPLETE	TOTAL
FACILITIES	554.6	23.1	22.1	599.8
COMMUNITY IMPACT ASSISTANCE	55.5	—	—	55.5
DEFENSE ACCESS ROADS	22.0	—	—	22.0
SUBTOTAL	632.1	23.1	22.1	677.3
FAMILY HOUSING	26.4	—	—	26.4
TOTAL	658.5	23.1	22.1	703.7

SLIDE 9

We began our program at Bangor in fiscal 1974. Our fiscal year 1982 request is for $23.1 million. We are projecting now it will take another $22 million to complete the program. The program over its life totals about $704 million, including community impact assistance and defense access roads and family housing. Of the approved program to date we are about 98 percent complete.

Naval Submarine Base
Bangor, Washington

SLIDE 10

CONSTRUCTION AT BANGOR

I would like to quickly bring you up to date on the construction status at Bangor if I may.

SLIDE 11

PERSONNEL SUPPORT CORE

The personnel support core is anchored on the north by the Trident training facility and is followed by unaccompanied enlisted personnel housing, an enlisted dining facility, a library and theater complex and a Navy exchange. The open space here next to the Navy exchange is reserved for the commissary store which is included in our fiscal 1982 request.

The southern part of the community support area is rounded out by recreation facilities, a club facility and unaccompanied officer quarters.

A second fiscal 1982 project is the offcrew administration building which will be located up here next to the Trident training facility.

SLIDE 12

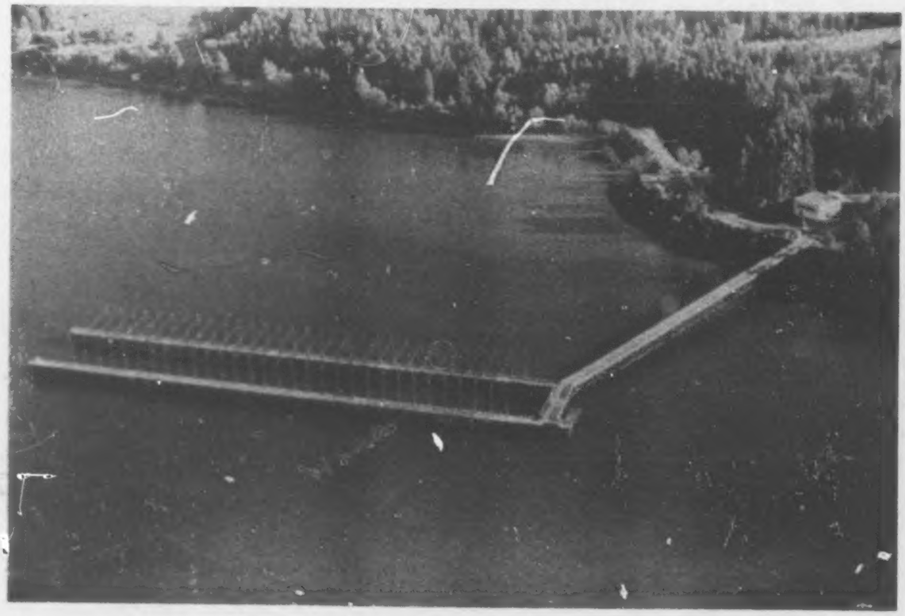
INDUSTRIAL SUPPORT CORE

This is the industrial support core. Two of our fiscal 1982 projects are located in this area. A support support facility is located here and an administration building will be just off the screen to the right

SLIDE 13

STRATEGIC WEAPONS FACILITY AREA

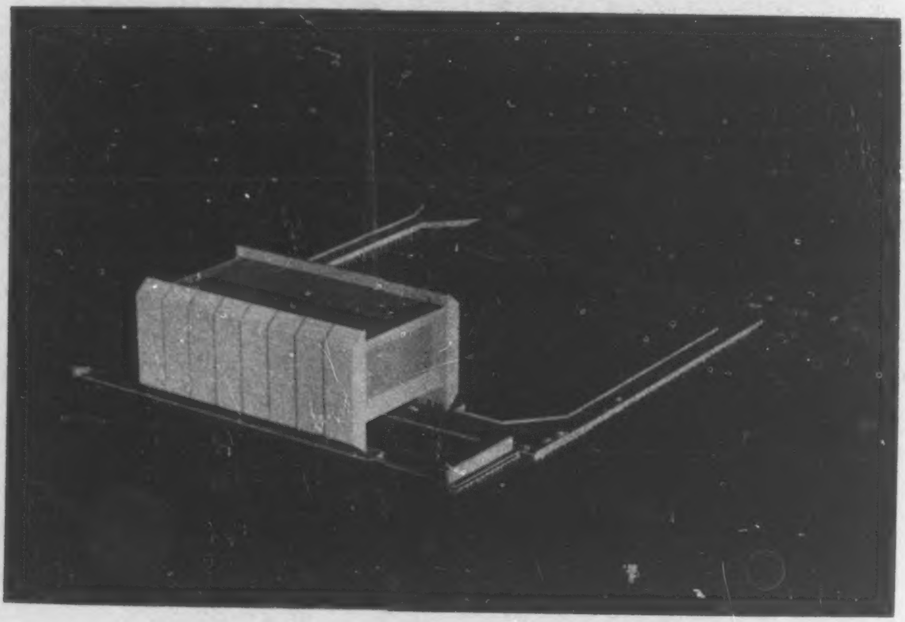
The strategic weapons facility area is essentially complete.



SLIDE 14

MAGNETIC SILENCING FACILITY

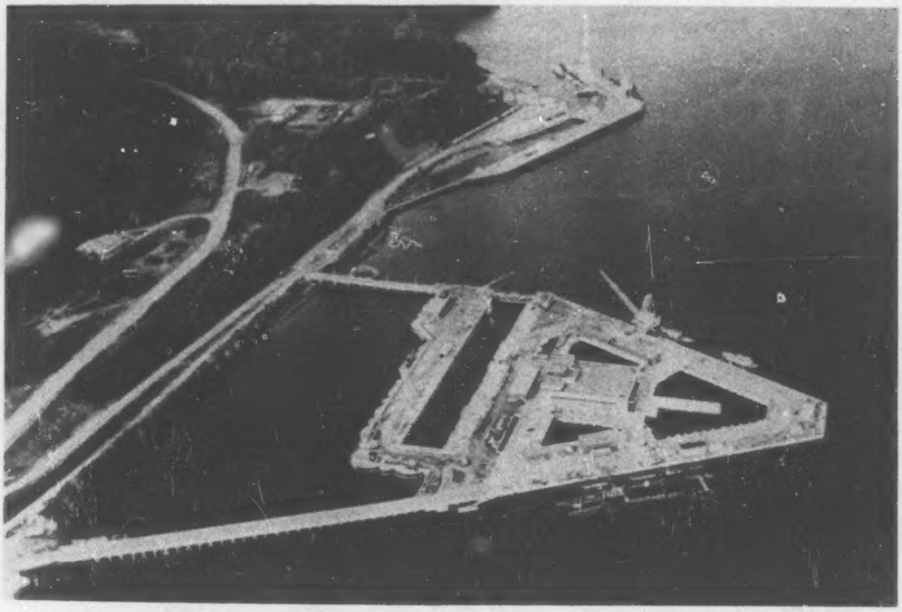
On the previous page is the magnetic silencing facility. Our fiscal 1982 request contains a project for a pier protection system which will be located at the open end of the pier.



SLIDE 15

EXPLOSIVES HANDLING WHARF

This is the explosives handling wharf. Our fiscal 1982 request contains a submarine berthing assistance system which will go inside the structure.



SLIDE 16

REFIT DELTA

This is the refit delta which has refit piers on the two outboard legs—

SLIDE 17

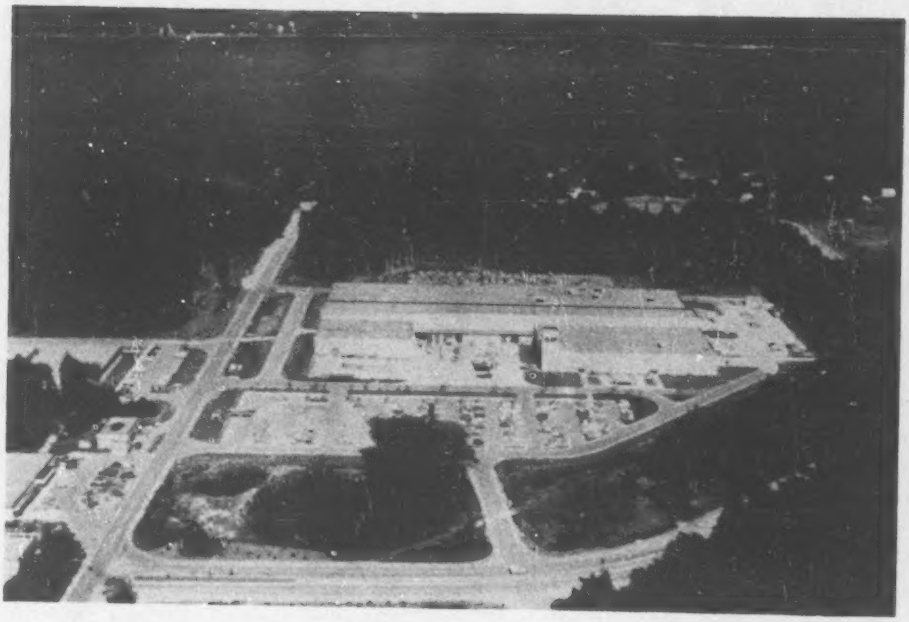
DRY DOCK

And a dry dock on the inboard leg. The dry dock shown on the previous page is in the dry condition.

SLIDE 18

SERVICE CRAFT PIER

This is the service craft pier which was completed in March of this year.



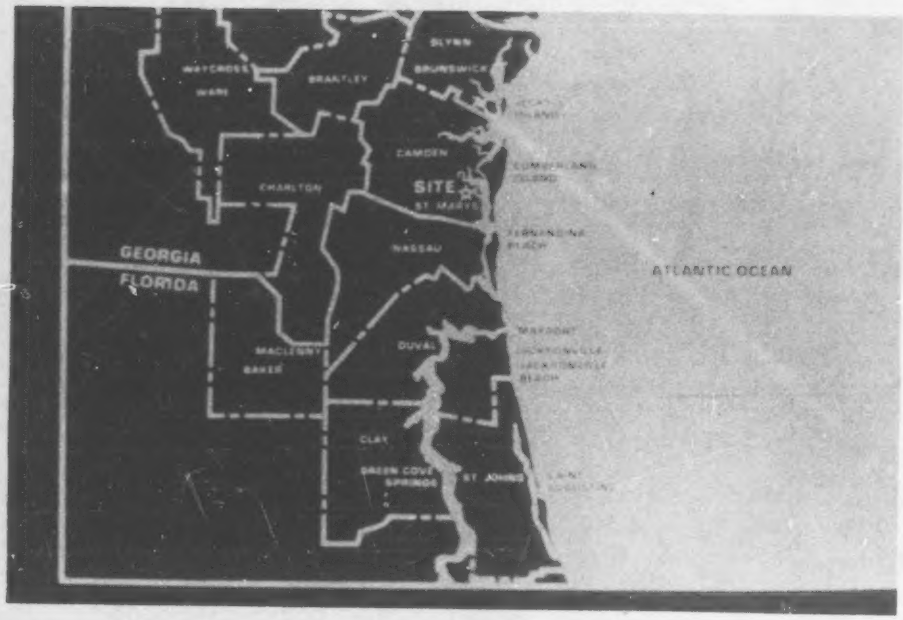
SLIDE 19

REFIT INDUSTRIAL FACILITY

Finally, at Bangor, the refit industrial facility, a 6½-acre shops building, is complete.

NAVAL SUBMARINE SUPPORT BASE

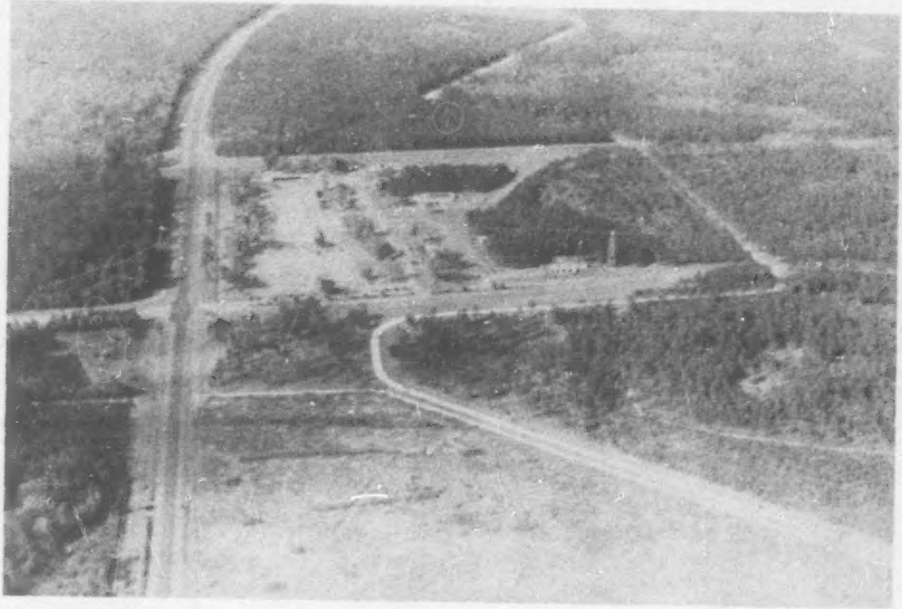
Turning now to the Naval Submarine Support Base, Kings Bay, Ga., the base is located in extreme southeastern Georgia near the Georgia-Florida border as shown at the top of the next page.


GLYNN
WAYCROSS
WARE
BRANTLEY
BRUNSWICK
CAMDEN
CUMBERLAND ISLAND
CHARLTON
SITE
ST MARYS
FERNANDINA BEACH
NASSAU
GEORGIA
FLORIDA
ATLANTIC OCEAN
MAYPORT
DUVAL
MACLENNY
BAKER
CLAY
GREEN COVE SPRINGS
ST JOHNS

Slide 20

Below is a satellite view of the area showing the base, St. Marys, Ga., and Fernandina Beach, Fla.

Slide 21



SLIDE 22

Before we began construction at Kings Bay the base was an Army contingency ammunition outload facility.

SLIDE 23

There was very little in the way of utilities and road infrastructure before we began.

Slide 24

This is one of several reasons why we need to begin construction for Trident at Kings Bay in fiscal 1982.

POSEIDON SQUADRON RELOCATION CONSTRUCTION PROGRAM

Before I discuss that, however, I would like to bring you up to date on the Poseidon squadron relocation construction program.

POSEIDON MILCON PROGRAM
KINGS BAY, GEORGIA
($000,000)

	FY78	FY79	FY80	FY81	TOTAL
FACILITIES	27.9	39.1	20.3	18.0	105.3
DEFENSE ACCESS ROADS	—	—	2.3	3.0	5.3
SUBTOTAL	27.9	39.1	22.6	21.0	110.6
FAMILY HOUSING	—	13.9	—	—	—
TOTAL	27.9	53.0	22.6	21.0	124.5

Slide 25

4-YEAR PROGRAM

This is a 4-year program spanning fiscal 1978 through fiscal 1981. The total amount of the program, including defense access roads and family housing amounts to about $125 million. This program is about two-thirds complete.

SLIDE 26

I would like to give you a quick look at the construction status at Kings Bay. Here is the main gate.

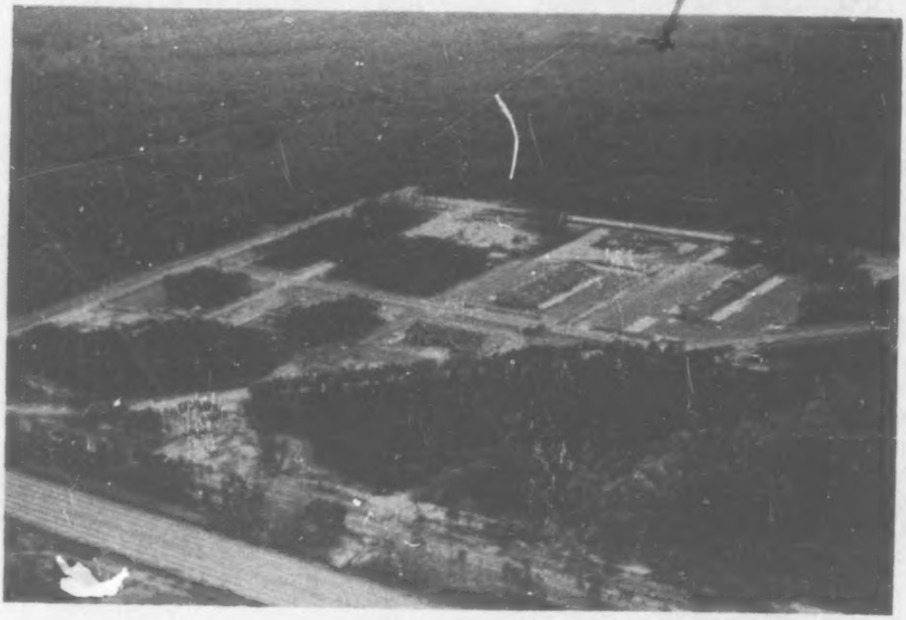
SLIDE 27

Two projects which were critical to the relocation of the squadron from Rota, Spain were the tender mooring facility for the U.S.S. *Simon Lake* at the top of the slide and the floating drydock mooring facility for the U.S.S. *Oak Ridge* in the foreground.

SLIDE 28

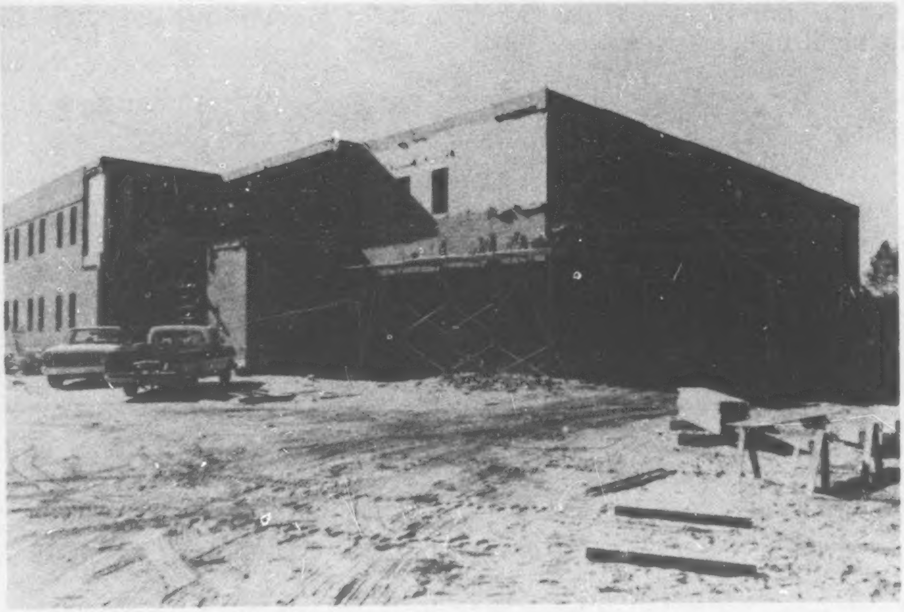
Slide 28 shows the site for our extended refit period staging building and flammable storage building which support the floating dry dock operation.

Because of poor soil conditions in the area we have had to install vertical sand drains to allow the water to come up out of the ground. We surcharged the area with 6 to 8 feet of dredge spoil and then there is a waiting period of about 1 year for settlement to occur before we begin constructing buildings. We expect these soil conditions to exist for certain other facilities at Kings Bay. This will cause the construction time for those facilities to be longer than that we experienced for similar facilities at Bangor.



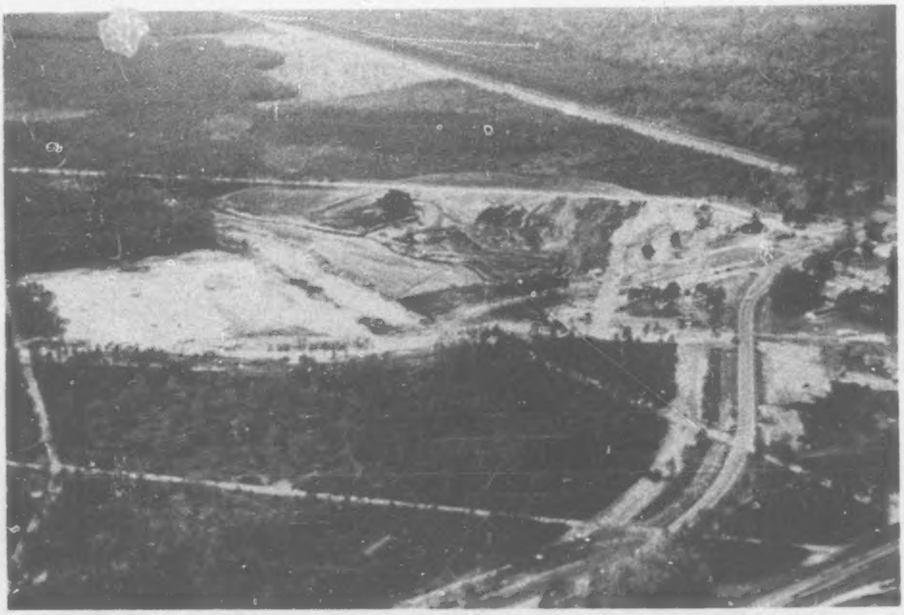
SLIDE 29

This is the industrial support core. This includes public works maintenance shop, the vehicle maintenance facility, the warehouse, the telephone exchange and the fire station which is nearly complete and an administration building which is under construction.



SLIDE 30

Here is another view of the administration building. This project is about 75 percent complete right now.



SLIDE 31

Slide 31 shows a clearing operation for the recreation facility. Georgia spur 40 runs across the top and the main gate is over here to the right of the screen.

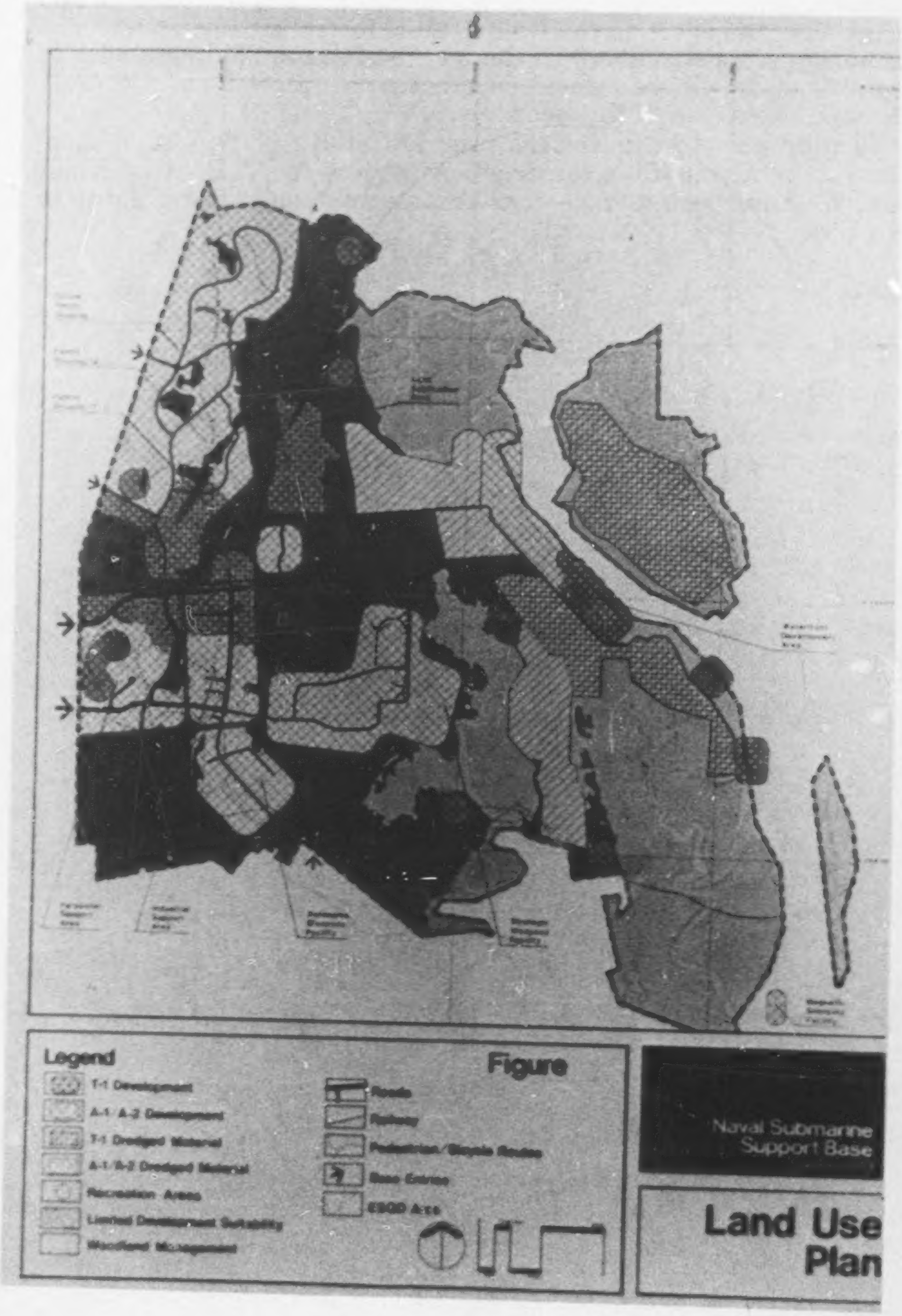
Slide 32

This is the family housing area which is under construction.

Slide 33

The housing project (Slide 33) is about 70-percent complete at this point. We are expecting the first 56 units for enlisted personnel will be available for occupancy in the month of June. The remainder of the 250 units will be turned over between the periods from July through November of this year.

Turning now to the Trident program at Kings Bay. As I mentioned, this is our first construction request for Trident at Kings Bay. We have been doing a considerable amount of planning up to this time.

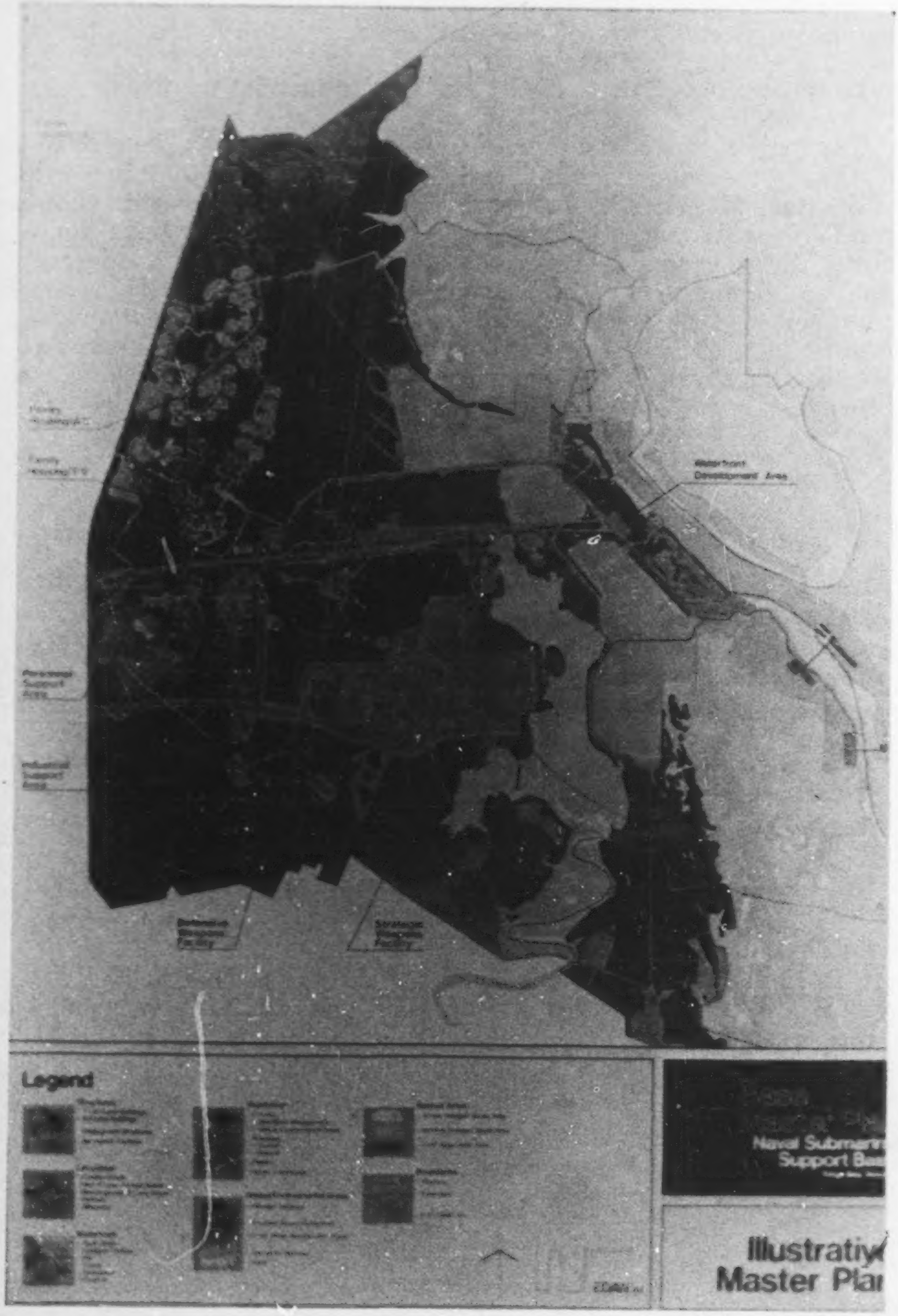

Legend
T-1 Development
A-1/A-2 Development
T-1 Dredged Material
A-1/A-2 Dredged Material
Recreation Areas
Limited Development Suitability
Woodland Management
Figure
Roads
Railway
Pedestrian/Bicycle Routes
Base Entries
ESQD Arcs

Naval Submarine
Support Base

Land Use
Plan

SLIDE 34

This is our land use plan which shows in brown and small crosshatching the areas affected by the Poseidon construction program. The areas in tan and large crosshatching are those areas which will be affected by the Trident construction program.


Family Housing
Family Housing
Personnel Support Area
Industrial Support Area
Weapons Facility
Strategic Weapons Facility
Waterfront Development Area
Legend
Naval Submarin
Support Ba
Illustrati
Master Pla

SLIDE 35

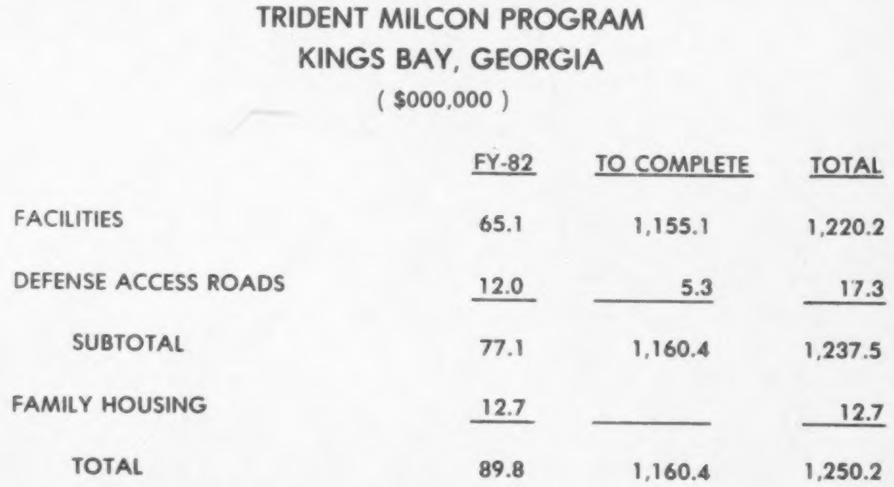
We have developed a master plan which provides a full range of facilities to support both the Posedion and the Trident strategic missions.

The plan shows the relationships of the various operational requirements.

The waterfront has a drydock, refit piers, a service craft pier, an explosive handling wharf, a tender mooring facility, and a floating drydock mooring facility.

In the center of the base is the refit industrial facility, a large shops building.

The area to the south is the strategic weapons area. To the west of that is the industrial support core which contains public works and supply functions as well as utility plants. To the west of that is the personnel support core which includes a dispensary and dental clinic, Navy exchange and commissary, a clubs facility, unaccompanied enlisted personnel housing, enlisted dining facility, recreation facilities, the Trident training facility and the base administration building. To the north of that is the family housing area. This is the area which is now under construction and which we saw a bit earlier.



TRIDENT MILCON PROGRAM
KINGS BAY, GEORGIA
($000,000)

	FY-82	TO COMPLETE	TOTAL
FACILITIES	65.1	1,155.1	1,220.2
DEFENSE ACCESS ROADS	12.0	5.3	17.3
SUBTOTAL	77.1	1,160.4	1,237.5
FAMILY HOUSING	12.7		12.7
TOTAL	89.8	1,160.4	1,250.2

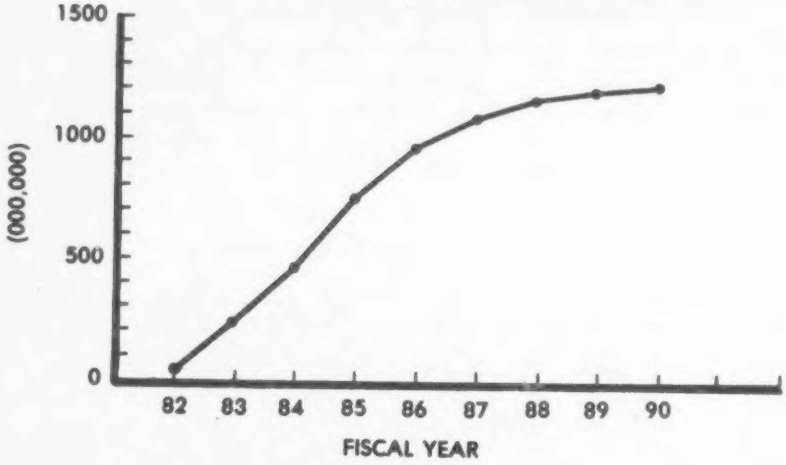
SLIDE 36

To implement this master plan we are requesting in fiscal 1982 $65.1 million in facilities and an additional $12 million in defense access roads.

We are projecting the total program will be about one and a quarter biilion, including defense access roads and family housing, over its life.

MILCON PROFILE ($ MILLION)

EAST COAST STRATEGIC SUBMARINE BASE



SLIDE 37

We have structured the program over a 9-year period for several reasons. As I mentioned earlier, we started out with very little utilities infrastructure. We need to get utilities and roads in the ground first before we do our work on construction of buildings. We need to avoid conflict with the existing strategic mission which is ongoing at Kings Bay.

We have environmental constraints which affect our construction scheduling and we want to avoid exceeding the capacity of the regional labor market to provide labor for the construction program. Our peak years, as shown here, are fiscal 1984, 1985 and 1986.

TRIDENT MILCON PROGRAM

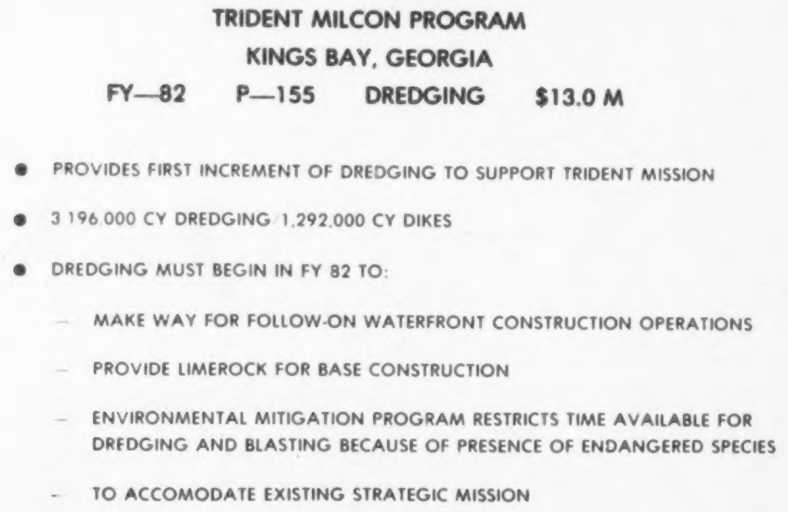
KINGS BAY, GEORGIA

FY—82 P—154 U&SI $44.0 M

- PROVIDES FIRST INCREMENT OF ROADS, ELECTRICAL, WATER, SEWER, THERMAL, AND STORM DRAINAGE SYSTEMS
- UNLIKE BANGOR, ALMOST NO UTILITIES INFRASTRUCTURE EXISTS
- AS A NECESSARY FIRST STEP, UTILITY WORK MUST BEGIN IN FY 82:
  - TO MINIMIZE CONFLICTS WITH VERTICAL CONSTRUCTION
  - ROADS AND UTILITIES ARE NECESSARY FOR SUPPORT OF CONSTRUCTION OPERATIONS
  - TO PROVIDE UTILITY SUPPORT AS FACILITIES ARE COMPLETED

SLIDE 38

In closing I would like to mention two of our large projects in the 1982 program. The first project is the first increment of utilities and site improvements for the Trident program. As I mentioned, unlike Bangor, we had almost no utilities infrastructure when we began. We need to begin utility work in fiscal 1982 to minimize conflicts with vertical construction because roads and utilities are necessary to support construction operations and to provide utilities support for those facilities as they are completed.



TRIDENT MILCON PROGRAM

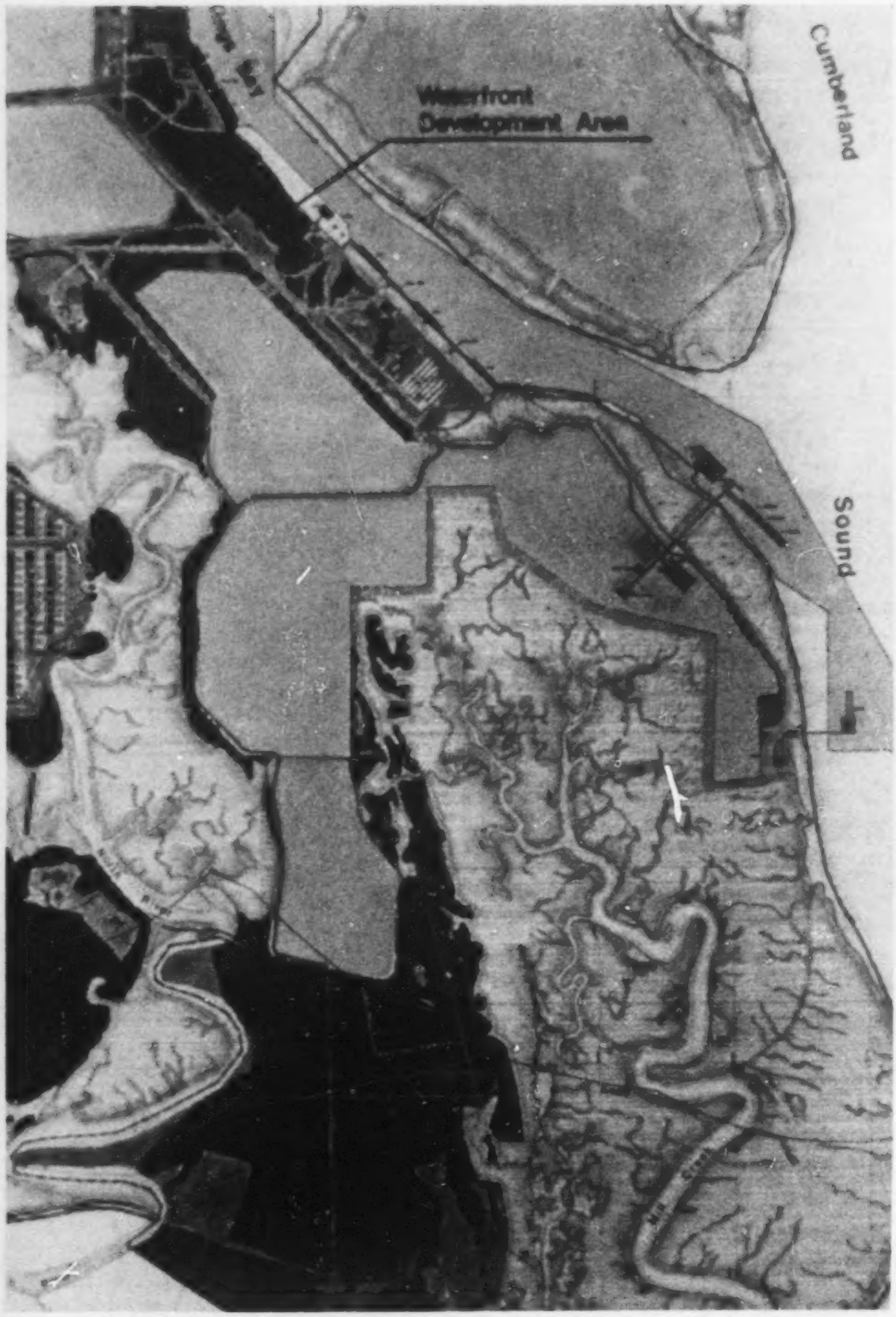
KINGS BAY, GEORGIA

FY—82 P—155 DREDGING $13.0 M

- PROVIDES FIRST INCREMENT OF DREDGING TO SUPPORT TRIDENT MISSION
- 3 196.000 CY DREDGING/1,292,000 CY DIKES
- DREDGING MUST BEGIN IN FY 82 TO:
  - MAKE WAY FOR FOLLOW-ON WATERFRONT CONSTRUCTION OPERATIONS
  - PROVIDE LIMEROCK FOR BASE CONSTRUCTION
  - ENVIRONMENTAL MITIGATION PROGRAM RESTRICTS TIME AVAILABLE FOR DREDGING AND BLASTING BECAUSE OF PRESENCE OF ENDANGERED SPECIES
  - TO ACCOMODATE EXISTING STRATEGIC MISSION

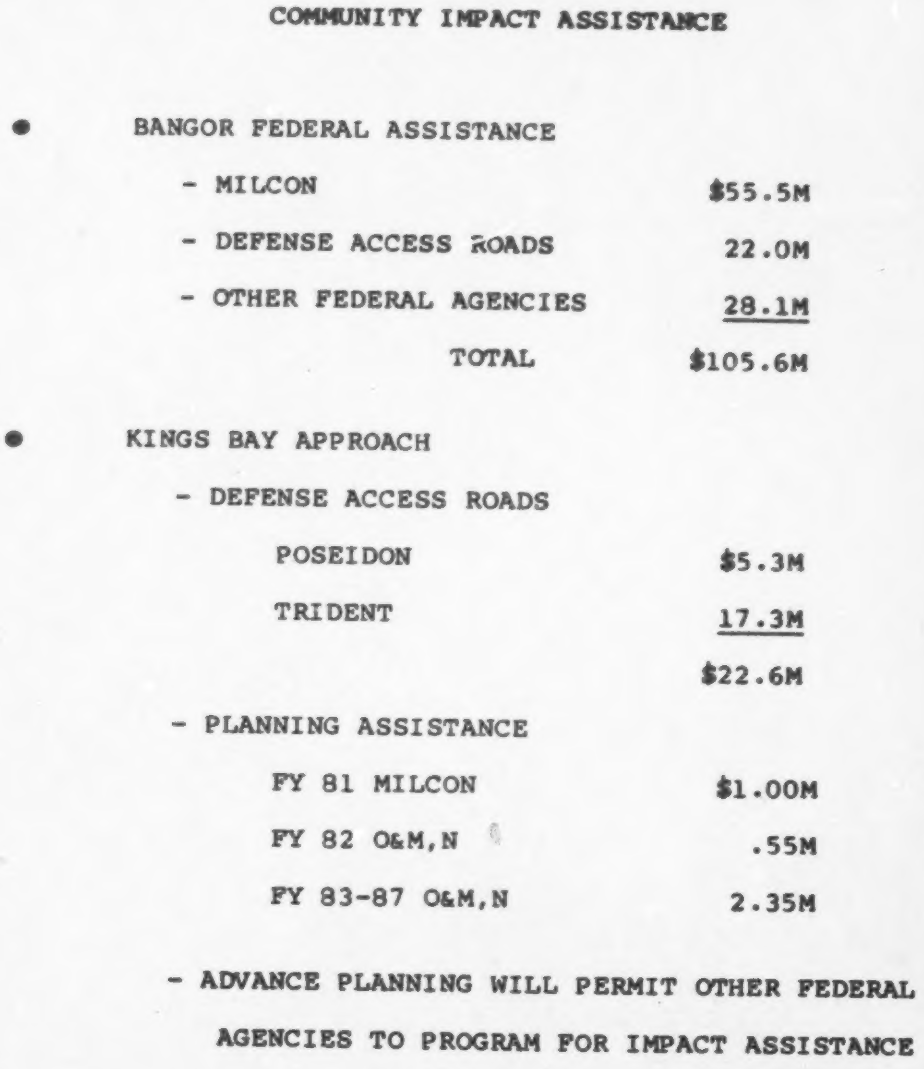
SLIDE 39

The second project I would like to mention is for dredging. This is the first increment of dredging to support the Trident operation. Here again we need to begin in fiscal 1982 for a number of reasons: To make way for follow-on waterfront construction operations; to provide limerock and other dredge spoil for surcharging and base construction operations; because our environmental mitigation program restricts the time available for doing our dredging and blasting, for example, we can blast only during the months of October through March; and finally to accommodate the existing strategic mission.


Waterfront Development Area
Cumberland Sound

SLIDE 40

The waterfront construction I mentioned for which we need to make way is up here at the north end of Kings Bay, the drydock and service craft area (Slide 40). The dredging will be done in this area.



COMMUNITY IMPACT ASSISTANCE

● BANGOR FEDERAL ASSISTANCE	
- MILCON	$55.5M
- DEFENSE ACCESS ROADS	22.0M
- OTHER FEDERAL AGENCIES	28.1M
TOTAL	$105.6M
● KINGS BAY APPROACH	
- DEFENSE ACCESS ROADS	
POSEIDON	$5.3M
TRIDENT	17.3M
	$22.6M
- PLANNING ASSISTANCE	
FY 81 MILCON	$1.00M
FY 82 O&M,N	.55M
FY 83-87 O&M,N	2.35M

- ADVANCE PLANNING WILL PERMIT OTHER FEDERAL AGENCIES TO PROGRAM FOR IMPACT ASSISTANCE

SLIDE 41

I would like to also briefly mention community impact assistance. Of the total Federal assistance provided for Bangor about half was provided through the military construction program. A quarter of it was through defense access roads and the other quarter was through other Federal agencies.

Our approach at Kings Bay is a bit different. We will have defense access roads at Kings Bay at a projected total of $22.5 million. The difference in approach is that we have in the fiscal 1981 MILCON program and have programed in fiscal 1982 funds for impact planning assistance which will serve to identify impact requirements such that they can be satisfied by Federal domestic agency programs. This advance planning will be done in time so the Federal domestic agencies have the opportunity to budget for and program capital improvement funds.

To summarize then, I would like to say that we are winding up our program at Bangor, Wash., our Poseidon program at Kings Bay is about two-thirds complete, and we need to begin construction at Kings Bay in fiscal 1982 for the Trident program.

MEDICAL PROGRAM

Admiral ZOBEL. Mr. Chairman, our next area is the Bureau of Medicine and Surgery for which we have $208.7 million in our request. Of this total $204 million is for the second phase of the San Diego Medical Center.

Since this project was authorized in fiscal year 1981 at $293 million, no authorization has been requested this year. With this year's funding a total of $229 million will have been appropriated. With this authority and appropriations, the major central facilities will be constructed.

The current status on initiating construction for the hospital is that on December 5, 1980, the Secretary of the Navy, as charged by the Congress, selected Florida Canyon as the preferred site.

On March 20, 1981, a draft supplement to the Navy's environmental impact statement was completed and was filed with the Environmental Protection Agency. This was prepared because an earthquake fault was found under the original footprint of the principal hospital buildings.

The draft supplement locates the Florida Canyon fault and provides guidance for setback distances for constructing buildings on the site.

The supplement shows a new location for the hospital that is west of the fault instead of in the botton of the canyon; the location investigated when the comparative study was made of the Helix Heights and Florida Canyon sites.

Comments on the draft supplemental report were received until May 11, 1981, and, as a matter of fact, will continue to be received through this Friday so that we can cover the mailing dates.

Comments should be incorporated for filing of the final report by the end of May. We expect that by the end of June, the Secretary of the Navy would make a final decision on the site for the San Diego Hospital.

A contract award may then follow shortly thereafter which will be for the initial site clearing and earthwork.

Using fiscal year 1982 appropriations we expect an award of a contract for the major hospital facilities in fiscal year 1982. Of course this is all contingent upon you providing those appropriations.

In addition to the San Diego Hospital there is another $4.7 million that will provide a $3 million medical clinic modernization project at the Naval Regional Medical Clinic in Annapolis and two facility energy improvement projects.

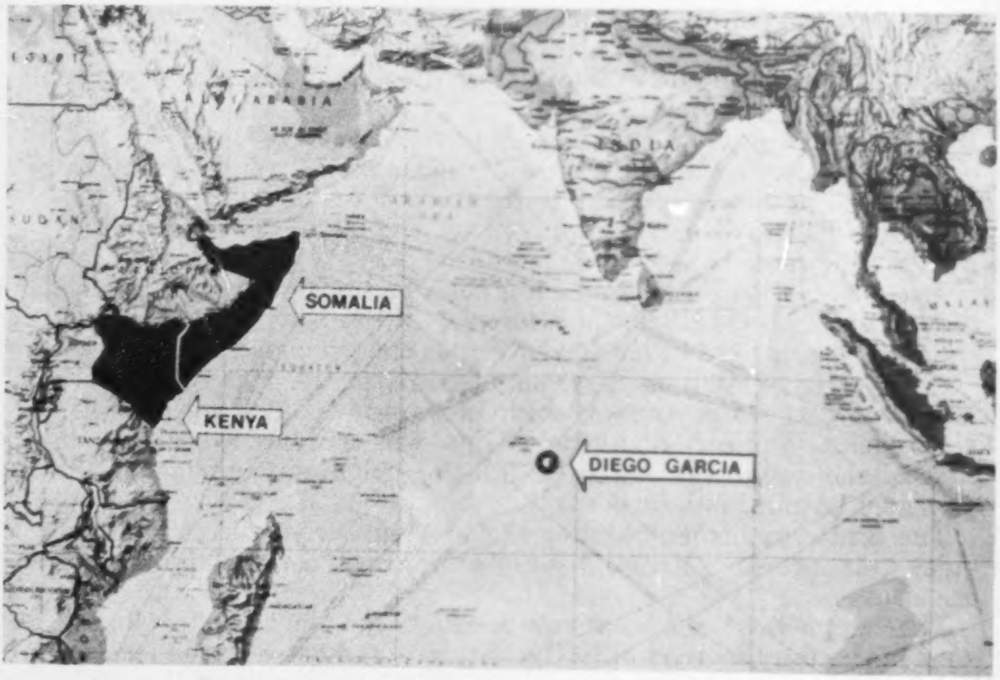
INDIAN FACILITIES CONSTRUCTION

Our final briefing is an Indian Ocean facilities construction presentation given by Comdr. Steve Beuby, our Director of the Indian Ocean Projects Office.

Commander Beuby.

Commander Beuby. Mr. Chairman, good morning, sir.

The increased Navy presence in the Indian Ocean has resulted in the requirement for a substantial increase in the construction of shore facilities at Diego Garcia—



Slide 42

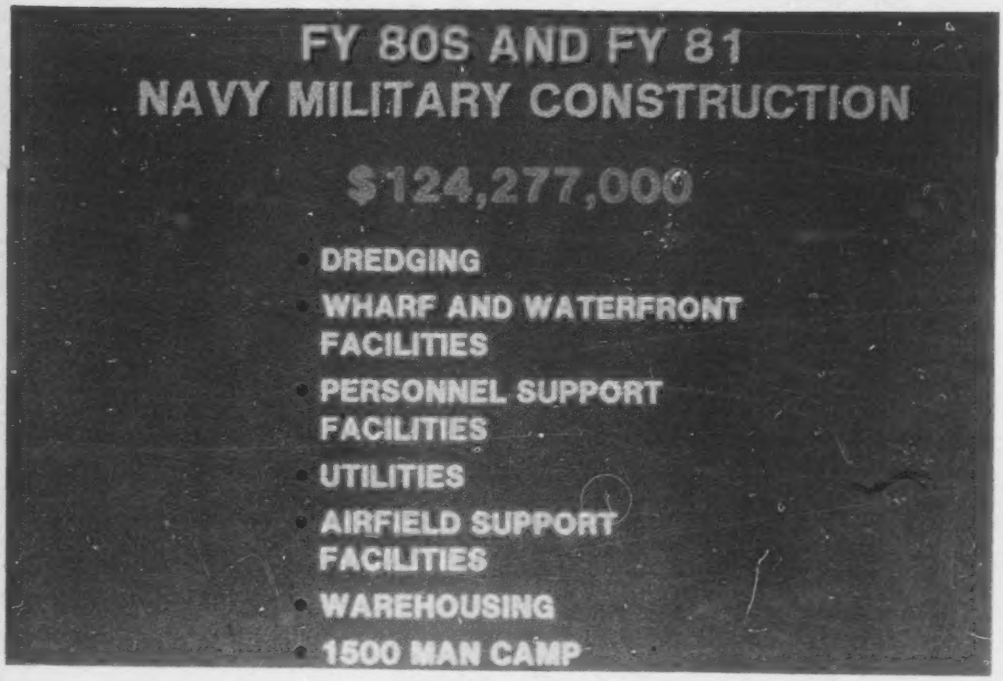
And for new construction programs for the Navy in Kenya and in Somalia. I will cover each of these locations in my briefing starting first with Diego Garica.

SLIDE 43

The Seabees have been constructing shore facilities on Diego Garcia since 1971. When the final Seabee battalion departs the island in July 1982 they will have completed essentially all of the operational facilities that will exist on the island at that time, including the airfield and all of its support facilities—

SLIDE 44

As well as all the personnel support facilities. We plan that any future construction on Diego Garcia will be performed by civilian construction contractors.



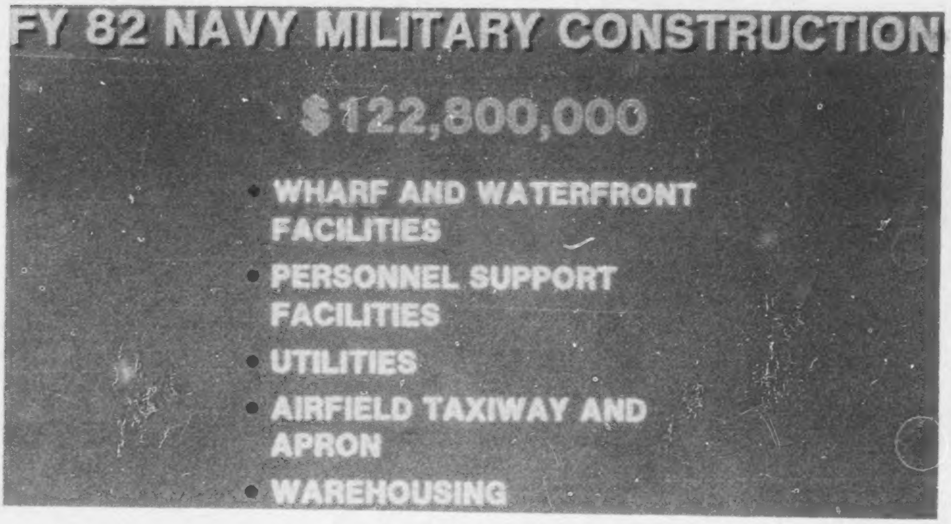
FY 80S AND FY 81
NAVY MILITARY CONSTRUCTION

$124,277,000

- DREDGING
- WHARF AND WATERFRONT FACILITIES
- PERSONNEL SUPPORT FACILITIES
- UTILITIES
- AIRFIELD SUPPORT FACILITIES
- WAREHOUSING
- 1500 MAN CAMP

SLIDE 45

The total value of the work that the Seabees have placed at Diego Garcia represents appropriations in the amount of $72.5 million. The fiscal year 1980 supplemental and fiscal year 1981 programs provided for Diego Garcia slightly over $124 million. This will provide the necessary dredging upon which the new facilities will be constructed, a thousand-foot long deep water wharf with a small craft basin behind it, personnel support facilities, including barracks, a dining facility and recreation facilities, a power plant and distribution system for utilities, airfield support facilities, including flight line buildings and lighting, a warehousing complex in the center of the island and a 1,500-man temporary camp.



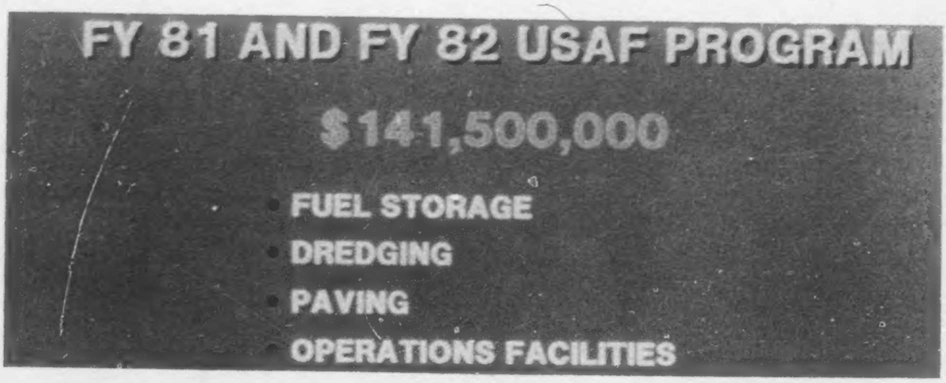
FY 82 NAVY MILITARY CONSTRUCTION

$122,800,000

- WHARF AND WATERFRONT FACILITIES
- PERSONNEL SUPPORT FACILITIES
- UTILITIES
- AIRFIELD TAXIWAY AND APRON
- WAREHOUSING

Slide 46

Our fiscal year 1982 request is for $122.8 million. This will provide another 1,000 feet of deep water wharf and a marine railway, additional personnel housing, and a medical clinic, additional utilities and distribution system, a parallel taxiway at the airfield and a parking apron and a warehousing complex down at the Newport complex.



FY 81 AND FY 82 USAF PROGRAM

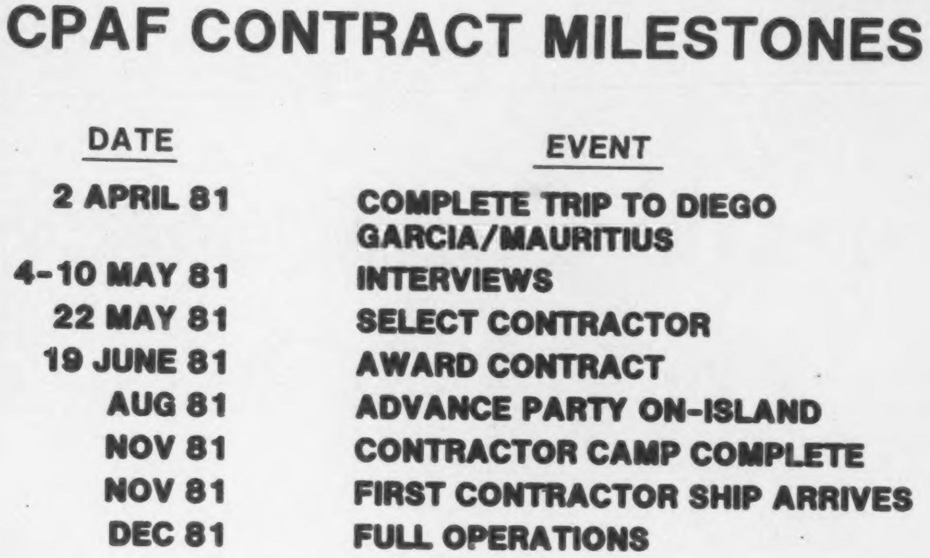
$141,500,000

- FUEL STORAGE
- DREDGING
- PAVING
- OPERATIONS FACILITIES

Slide 47

For your information, we will be constructing also the Air Force program at Diego Garcia. That program for fiscal year 1981 and 1982 totals $141.5 million. The Air Force program concentrates entirely around the airfield and involves fuel storage and hydrant refueling systems under new parking aprons, dredging to build one of the parking aprons, a parking apron and some paving improvements and all of the operational facilities to support Air Force aircraft.

The design for the 1981 and 1982 program for the majority of the projects is complete or nearing completion at this time.



CPAF CONTRACT MILESTONES

DATE	EVENT
2 APRIL 81	COMPLETE TRIP TO DIEGO GARCIA/MAURITIUS
4-10 MAY 81	INTERVIEWS
22 MAY 81	SELECT CONTRACTOR
19 JUNE 81	AWARD CONTRACT
AUG 81	ADVANCE PARTY ON-ISLAND
NOV 81	CONTRACTOR CAMP COMPLETE
NOV 81	FIRST CONTRACTOR SHIP ARRIVES
DEC 81	FULL OPERATIONS

SLIDE 48

We are in the process now of awarding a large cost-plus award fee contract to a joint venture of civilian construction companies. This slide shows the milestones that we are locked in on towards accomplishing that contract.

[Whereupon, a brief recess was taken.]

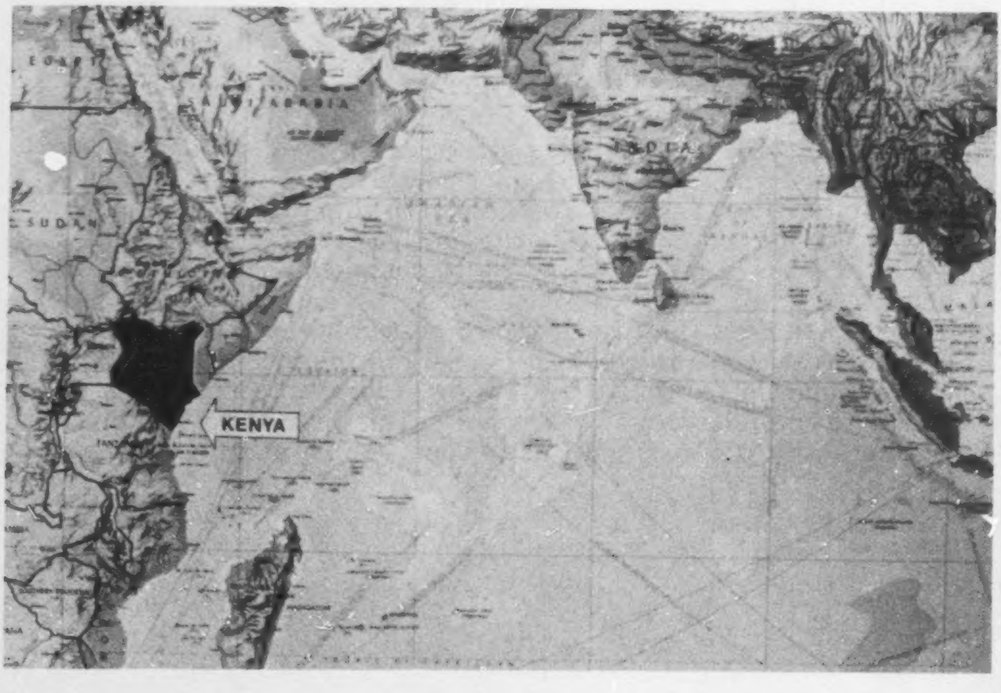
Senator MATTINGLY. All right, proceed.

Commander BEUBY. Sir, I was mentioning that we are in the process of awarding a large cost-plus award fee contract to a joint venture of civilian construction companies to perform the remainder of the construction on Diego Garcia. This slide shows the milestones that we are following for the accomplishment of that contract.

I might point out that the projected dates have to remain a little bit tentative because they will be subject to the mobilization plans of the actual selected contractor. We do expect full construction operations to be underway by December of this year and we estimate that the entire program will take about 4 to 5 years to complete.

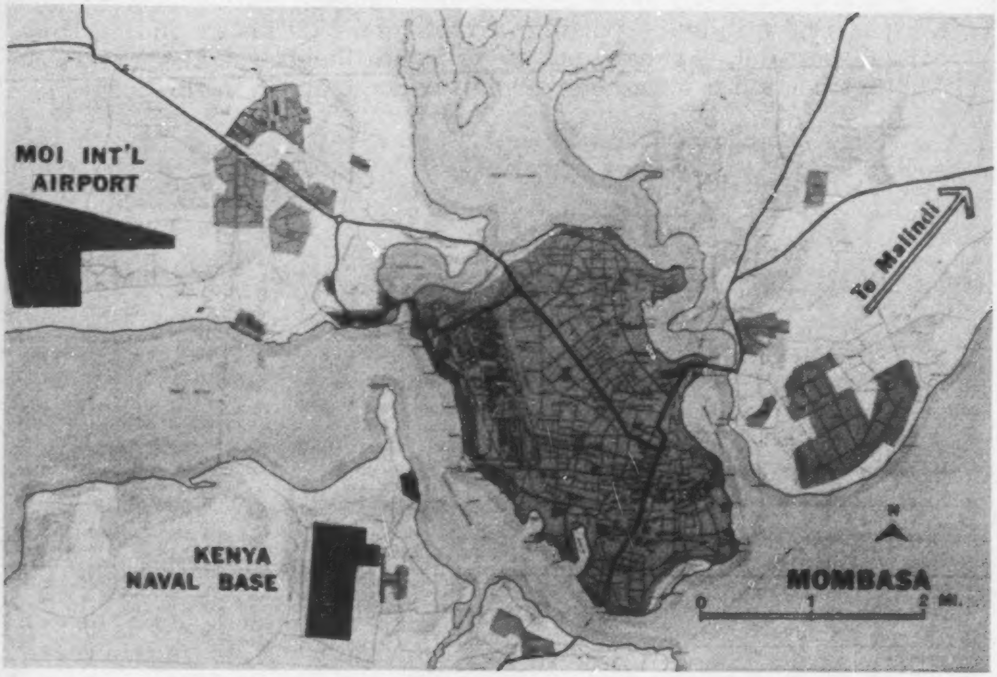
SLIDE 49

In January of this year we awarded a dredging contract that will produce 9 million cubic yards of fill material on Diego Garcia upon which all or the majority of the new facilities will be placed. The dredge actually arrived on Diego Garcia on April 17 and we exepct that dredging will take from 12 to 18 months to complete.



SLIDE 50

I will shift now to our East Africa operations. The concept for Kenya is support of our deployed carrier battle groups at and from Mombasa which is the main port on the Indian Ocean in Kenya.

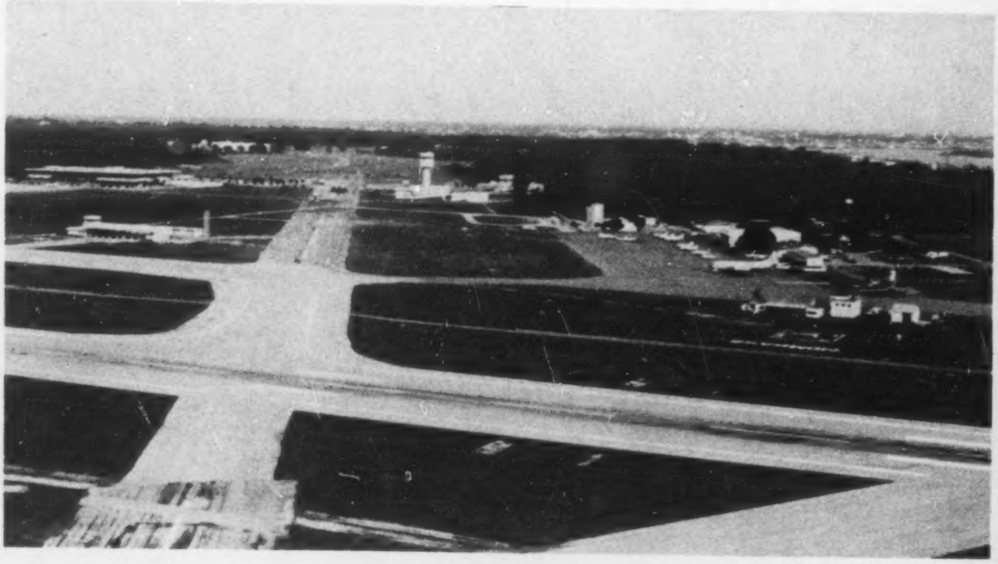

MOI INT'L AIRPORT
To Malindi
N
KENYA NAVAL BASE
MOMBASA
0
1
2 MI.

SLIDE 51

This slide shows the general layout of the city of Mombasa. The city is located on an island in the center of a river. The international airfield is located to the west of the city and a Kenya Naval Base is located to the south of the city. We plan facilities at the airfield, at the Kenya Naval Base, and we also propose to dredge the harbor at Mombasa. I will show you each of these locations in slides.

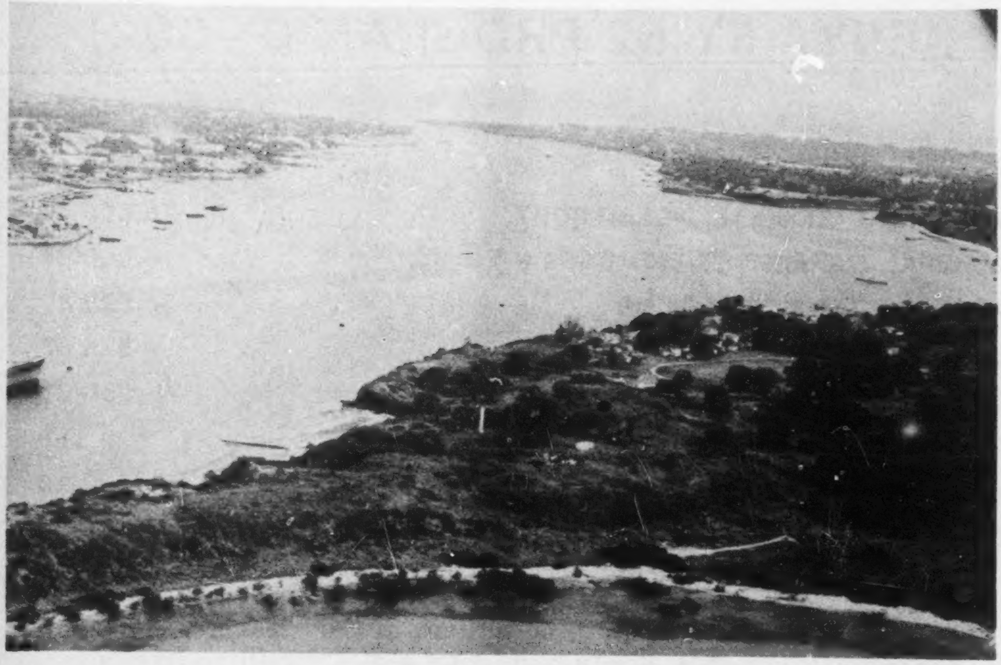
SLIDE 52

This is the airfield (Slide 52). In the 1981 program we received for Kenya $19.6 million. A portion of that money is for extending this partial parallel taxiway out to the full length of the runway. Another portion is to provide a small parking apron in this location.



SLIDE 53

That apron will go right where this grass is located. In the 1982 program we are asking for funds for a small air cargo terminal that will go adjacent to that new parking apron and also for some navigational and communication aids at the airfield.



SLIDE 54

This picture is of the harbor at Mombasa. In the lower part of the picture is the Kenya Navy Base. In the 1981 program we received money to construct a small ammunition magazine at the Navy base just off the immediate right of the photograph. In the 1982 program we are asking for funds for a communications center and a small general purpose warehouse which will be located right along this hill line. We are also asking for funds to pave a four kilometer access road into the Navy base.

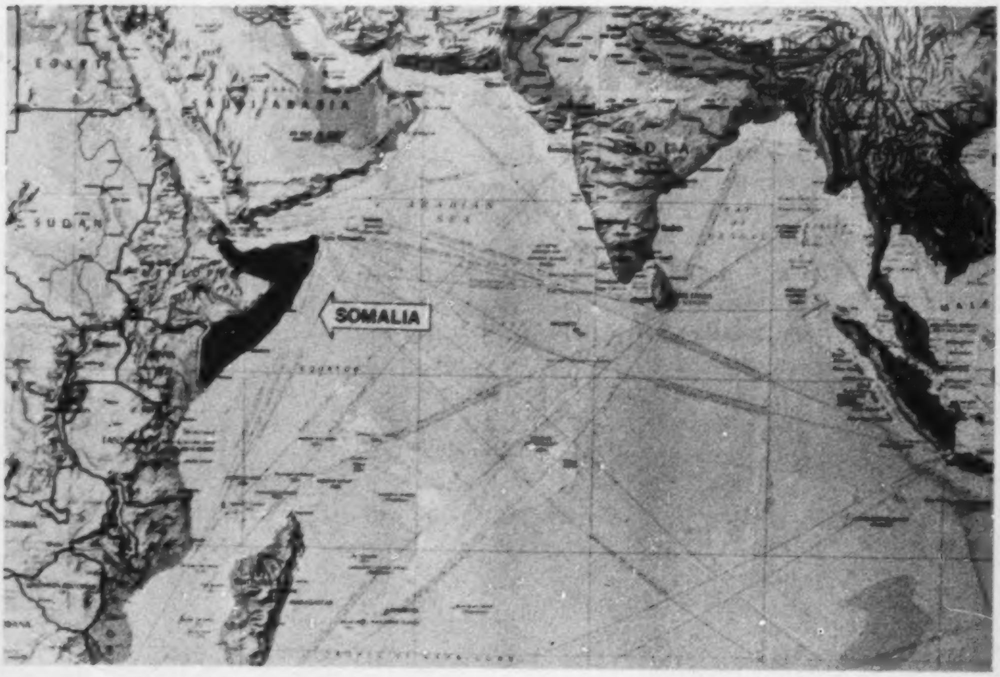
By far the majority of our program for Kenya consists of the dredging of Mombasa Harbor. We propose to dredge an entrance channel into this area and then a 3,000-foot wide turning basin that will enable carriers to come into the harbor. The total price tag carried for that dredging is $40 million.

KENYA FY 82 PROGRAM (P-002)

AIR CARGO TERMINAL/MOI AIRPORT	**5,600 SF**
GENERAL WAREHOUSE/MOMBASA NB	**4,000 SF**
ACCESS ROAD MOMBASA NB	**56,320 SY**
COMM/NAVAIDS/MOI AIRPORT	**574 SF**
COMMUNICATIONS FAC/MOMBASA NB	**350 SY**
TRAINING FACILITY	**LS**
HARBOR IMPROVEMENTS (DREDGING)/MOMBASA	**LS**
TOTAL REQUEST	**$26 MILLION**

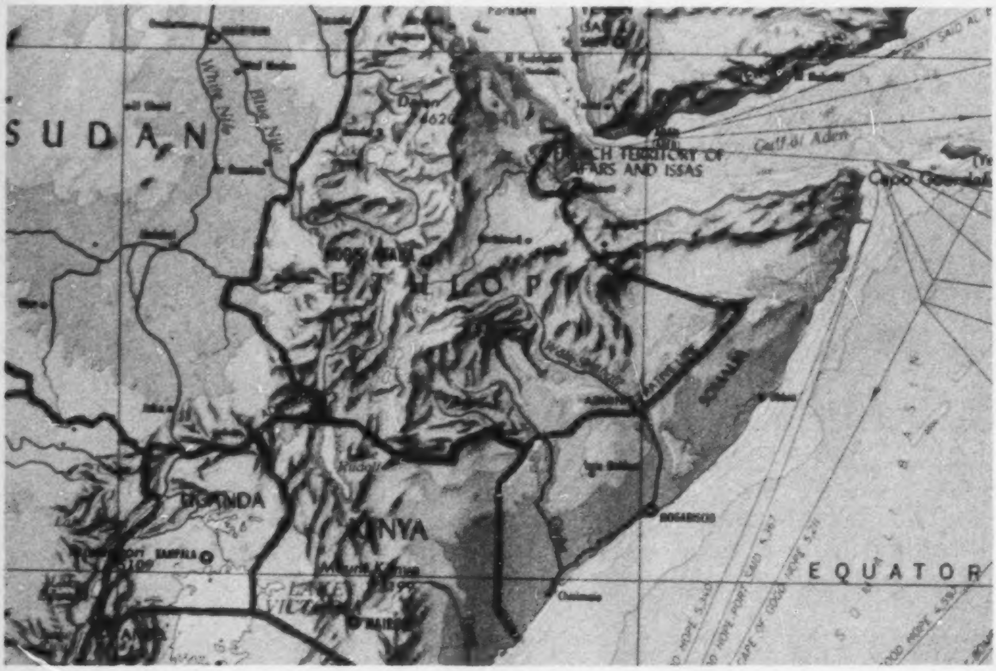
Slide 55

In summary, we received $19.6 million in the 1981 program. We are asking in the 1982 program for a total of $26 million. We envision an 1983 requirement of approximately $9 million to complete the total program for Kenya.



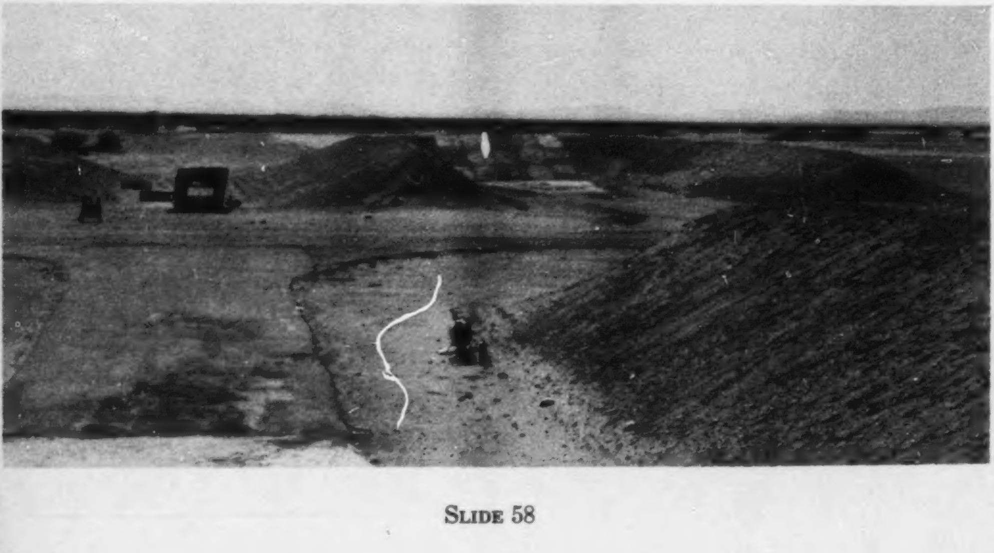
Slide 56

In Somalia our concept of operation centers around occasional fleet support from the Port of Berbera located up on the Gulf of Aden in this location.


SUDAN
White Nile
Blue Nile
FRENCH TERRITORY OF AFARS AND ISSAS
Gulf of Aden
ETHIOPIA
SOMALIA
UGANDA
KENYA
EQUATOR

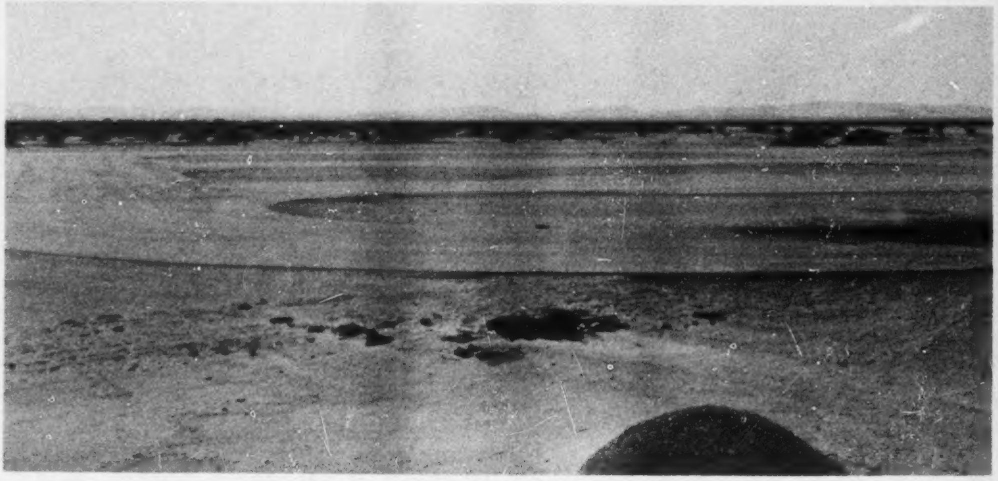
SLIDE 57

Now, there are two locations at Berbera that we are interested in, the airfield and the port. They are located about 5 miles away from each other. Both the airfield and the port were constructed by Russian forces to a very low degree of quality.



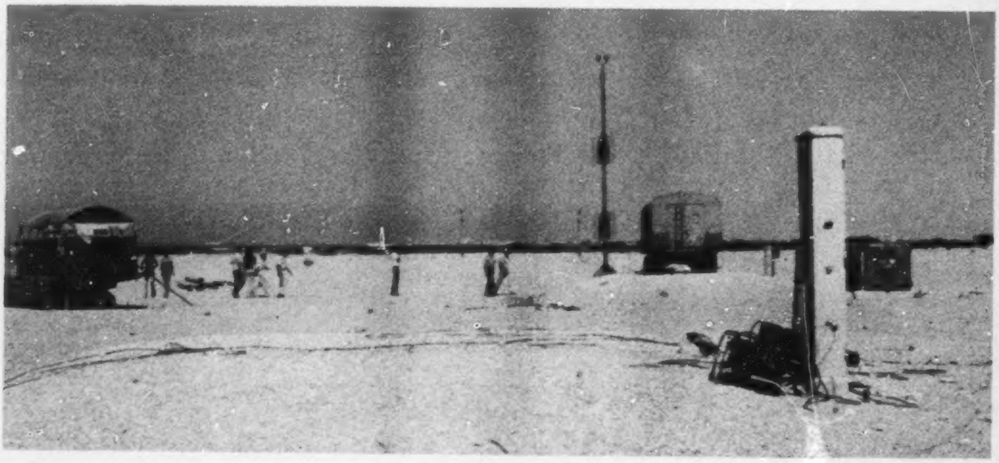
SLIDE 58

These slides of the airfield show first the aircraft dispersal hardstands.



SLIDE 59

The aircraft parking area which we propose to improve by installing aircraft tiedowns and constructing off to the left a small general purpose building.



SLIDE 60

The communication van area which we will improve by placing concrete pads and power.

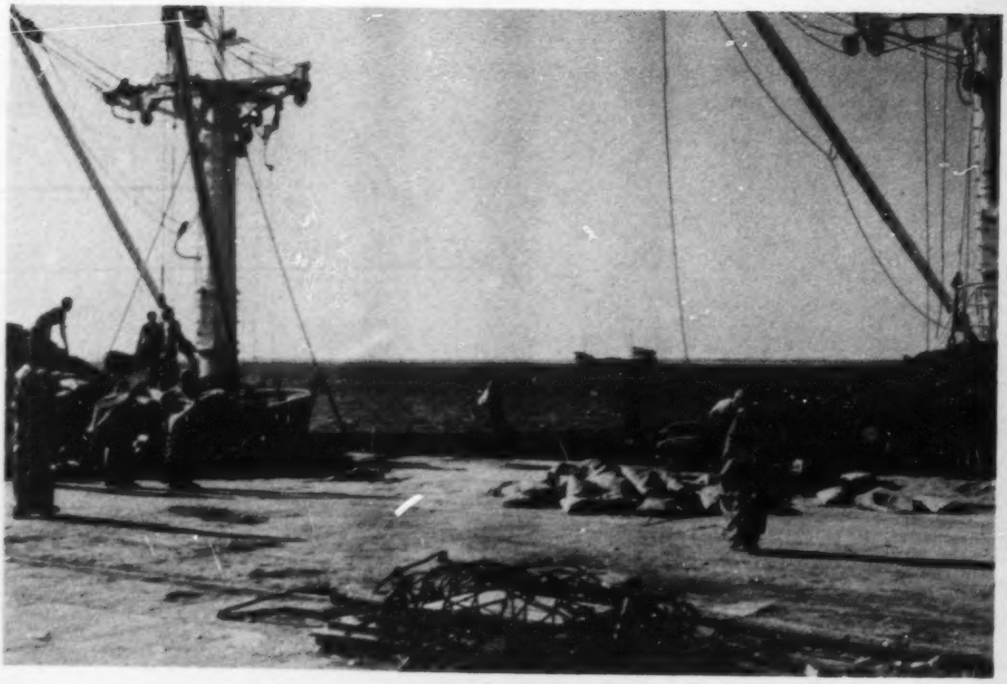
SLIDE 61

And the runway which we will improve by painting, center line touch down striping and numerical numbers, and installing an expeditionary airfield lighting system.

Our total request for Somalia, the actual total monies received in the fiscal 1981 program for Somalia is only $400,000. The majority of that goes to improvements of the airfield.

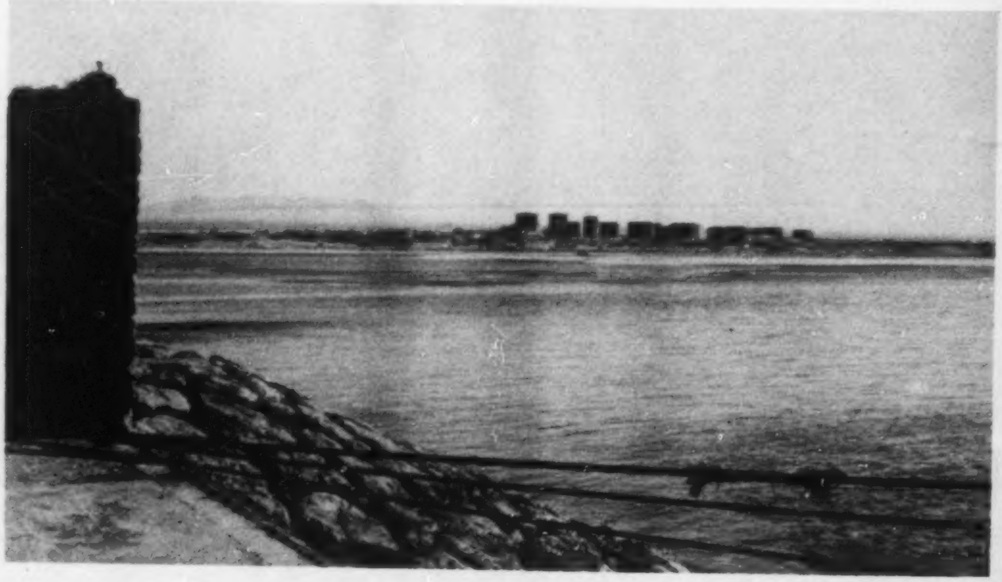
SLIDE 62

The Port of Berbera is equally austere but it is extremely busy right now handling food shipments for the refugee camps.



Slide 63

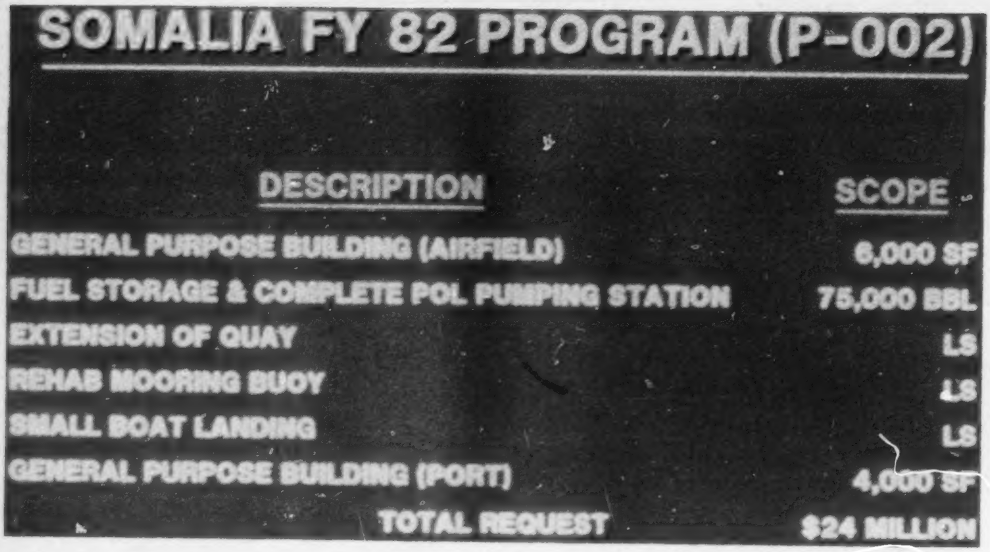
The port consists essentially of one wharf.



Slide 64

Adjacent to that wharf is a fuel farm.

Our 1982 request will provide an expansion to the existing wharf that will give us dedicated wharf facilities for U.S. Navy forces and also 75,000 barrels of fuel storage in the fuel farm which will be dedicated for U.S. use only.



SOMALIA FY 82 PROGRAM (P-002)

DESCRIPTION	SCOPE
GENERAL PURPOSE BUILDING (AIRFIELD)	6,000 SF
FUEL STORAGE & COMPLETE POL PUMPING STATION	75,000 BBL
EXTENSION OF QUAY	LS
REHAB MOORING BUOY	LS
SMALL BOAT LANDING	LS
GENERAL PURPOSE BUILDING (PORT)	4,000 SF
TOTAL REQUEST	$24 MILLION

Slide 65

Our total 1982 request is $24 million and we envision no future construction requirements for Somalia.

Sir, this completes my briefing.

Senator **Mattingly**. Let me ask you a question between Kenya and Somalia. Are the same type of aircraft going to be there?

Commander **Beuby**. The present plan is that there will be P-3 aircraft.

Senator **Mattingly**. What is the distance between those tow airfields just for my own information?

Commander **Beuby**. Well, you have to turn the corner around Ethiopia. It is approximately 1,000 miles.

Senator **Mattingly**. Thank you.

Admiral **Zobel**. There would also be some carrier onboard delivery aircraft, as we call them that would take supplies and people to the carriers in the force.

Senator **Mattingly**. Thank you.

Admiral **Zobel**. Mr. Chairman, in summary the Navy's fiscal year 1982 military construction budget is structured to achieve an appropriate balance between new mission facilities requirements for the Navy, quality of life objectives, and contribute to the solution of the national energy and environmental problems by continuing the Navy's aggressive programs in these areas.

We are now ready for any questions that you might have.

Senator **Mattingly**. Thank you.

Before I begin let me ask Senator Sasser because I know he has to get back to the floor of the Senate.

You go ahead and ask your questions.

MILLINGTON NAVAL AIR STATION, TENN.

Senator **Sasser**. Thank you, Mr. Chairman.

As you know, Admiral, I am very interested in the continued operation at Millington Naval Air Station in Tennessee. Last year this committee directed the Navy to program fiscal year 1982 military construction projects that are required to upgrade and maintain this facility as a viable and major Navy Reserve training center.

What projects are included in the Navy's request in response to the committee's directive this year?

Admiral **Zobel**. We have in fiscal year 1982, sir, a cold storage warehouse at $850,000, a pay and personnel support office at $1,650,000, an unaccompanied enlisted personnel housing project for $6,300,000 and a chapel and religious education building at $2,200,000. That totals about $11 million.

Senator **Sasser**. So about $11 million in construction is programed for this coming fiscal year?

Senator **Mattingly**. Yes, sir, fiscal year 1982.

MISSION OF CHIEF OF NAVAL TRAINING

Senator **Sasser**. Good. The Naval Air Station in Memphis not only includes Reserve training facilities but as you know, Admiral, is also the home of the Chief of Navy Technical Training.

Now, would you explain for the benefit of the committee the mission of the Chief of Naval Training and its importance to today's Navy?

Admiral **Zobel**. I think I can do that briefly, sir, by saying the Chief of Naval Training is the responsible officer for all naval training. That would include naval air training, naval fleet training, and training at locations where there are concentrations of naval personnel and then, as you mentioned, a very important facet, naval technical training.

Naval technical training, with headquarters in Memphis is obviously very important because of the very complex systems that we have and the need to train our petty officers and officers in the operation of those systems. At Memphis we have most of our aviation training, mechanics, electricians, air controllers, and I am sure you are very familiar with that, and the fact that both the Navy and the Marine Corps personnel are trained there.

FIVE-YEAR PROGRAM, MILLINGTON

Senator **Sasser**. Yes, I am.

Would you provide for the record a list of potential military construction projects that could be programed for Millington in the next 5 years. We will just take that information for the record, Admiral.

Admiral **Zobel**. Yes, sir. That would be a very tentative list because there are a number of different things that have to take place over that period of time.

Senator **Sasser**. I understand.

[The information follows:]

NAVAL AIR STATION MEMPHIS, MILLINGTON, TENN.

Potential military construction projects

	Millions
P-184—Family services center	$1.6
P-090—Applied instruction building	5.1

	Millions
P-091—Applied instruction building	5.6
P-248—Water treatment facility	6.8
P-216—Electrical distribution system improvements	2.0
P-018—South Entrance Road	2.1
P-102—Applied instruction building	6.0
Total	29.2

MILLINGTON PHASEOUT

Senator **Sasser**. Admiral, I have been very concerned that there have been previous efforts, both within the Navy and the Department of Defense, to phase out the various operations at the Millington. I have always felt and continue to feel that Millington is a cost-effective operation for the Navy and a good buy for the taxpayers. Certainly the mission at Millington is an important mission and should be maintained and continued at that facility.

Now, frankly, I have been concerned to read recently in the press that the new administration is considering a long list of possible base closings. Now, I would be the first to agree that some facilities are out of date. Consideration should be given to the administration's request on a base-by-base basis.

But I would like to make my position very clear today, Admiral, to the Navy and I would ask you to take this message back to the highest echelons of the Department of Defense that the Naval Air Station at Memphis has strong support here on Capitol Hill, not just for myself but for many other members of the Tennessee delegation, of the Mississippi delegation, and the Arkansas delegation. There is a strong feeling that this facility should not be included in this so-called hit list by the administration.

Second, with that I would like to ask you to outline for this committee whatever knowledge you may have concerning the plans of the Navy with regard to this facility at Millington?

Admiral **Zobel**. I have no information, sir, with regard to any closure plans for the facility or anything further than what I have indicated to you regarding this year's program. We are planning on constructing $11 million worth of facilities there. Obviously, if we had knowledge of a closure, we would not be including the $11 million.

I can't tell you that there aren't studies continually going on within the Department of Defense and, as you indicated, those are necessary. But I know of no list and I have no knowledge of anything on a list at this time.

Senator **Sasser**. Admiral, thank you very much.

Thank you, Mr. Chairman.

TRIDENT SUBMARINE PROGRAM

Senator **Mattingly**. First let me ask you, as you are aware, the Trident submarine program is kind of under a lot of scrutiny in recent weeks. I would like you to explain to the committee how the Navy plans to address construction delays and quality assurance problems related to the Trident submarine program.

Admiral **Zobel**. We have with us today, sir, as I have indicated, Rear Adm. Jim Murray, our Trident project manager. I will ask him to respond to your questions on that, sir.

Admiral **Murray**. Senator, as you may know, the Secretary of the Navy appointed a committee made up of six people, three from General Dynamics and three selected by the Secretary. This committee reviewed the Electric Boat situation in extensive detail and concluded that the schedules provided by the Electric Boat Co. were achievable. That information was then provided to the Secretary of the Navy.

The *Ohio*, the first ship of the class, went in-service yesterday. In-service means that the crew moves onboard, cooks and lives onboard, and is in the final preparations for conducting dock trials and sea trials.

SEA TRIALS

We expect those sea trials to take place in June of this year and delivery of the ship by the Electric Boat schedule, on October 31 of this year. The *Ohio* seems to be proceeding down this trail, and we would expect delivery by the Electric Boat schedule, on October 31, 1981.

We hope that those quality control problems are behind us, but time will prove whether they are, sir.

Senator **Mattingly**. When do you anticipate that all the Trident submarines scheduled for Bangor will be available?

Admiral **Murray**. The 11th Trident submarine is scheduled for completion in the first part of 1989. We expect the 10th submarine, which will complete the Bangor-based squadron, to come off the line in 1988, arriving in Bangor in 1989.

INITIAL TRIDENT SUBMARINE FOR KINGS BAY

Senator **Mattingly**. Then when do you expect the initial Trident submarine for Kings Bay?

Admiral **Murray**. We also expect the first Trident submarine to arrive in Kings Bay in 1989 or 1990, but that is tied to our plans for the upgraded missile. It might not be a new construction submarine because, in order to test that missile, we would take one of the earlier Trident submarines and backfit it to this new missile. Those tests would probably take place in 1987, with deployment of that missile system in 1989. So the first Kings Bay Trident submarine is not necessarily tied to the construction schedule at the Electric Boat Co.

Senator **Mattingly**. Specifically how do the construction problems with the Trident submarine, the uncertainties surrounding the authorization of additional Trident submarines affect the need for $65 million in fiscal year 1982 construction planning for Kings Bay?

Admiral **Zobel**. I don't think, sir, that it really affects it at all because, as Admiral Murray said, the first submarine that will arrive at Kings Bay is not necessarily tied to the submarine construction schedule. We believe that now is the time to move ahead with the base infrastructure. Roads, utilities, dredging, must be done before we move in and do our work on the dry dock, small craft facilities and all the other refit facilities that must go along the waterfront.

As we move ahead with the Trident program, we think it is prudent to start construction right now. That way we can make sure that we build our labor force, and our construction organization, which is already in being, in a smooth and even way. That will optimize the use of the dollars that we have in the program.

REAL GROWTH

Senator MATTINGLY. Your fiscal year 1982 request of $1.5 billion is quite an increase over your fiscal year 1981 appropriated amounts. Would you please try to explain this increase in terms of real growth and inflation by a percentage in dollars?

Admiral ZOBEL. Yes, sir. If you look back over a number of years, since 1967, you find that this year's request represents something like 10 percent in real growth.

If you look back you will find that each year's program has not been on a real growth line. We have taken some real hits in the military construction program and have been well below that line over the years. So to simply draw a straight line and look at where we are today doesn't tell the whole story.

Senator MATTINGLY. What was fiscal year 1981?

Admiral ZOBEL. It was in the neighborhood of about $770 million.

Senator MATTINGLY. So that is roughly a 100 percent increase?

Admiral ZOBEL. Yes, sir, but we believe that the 1981 program should have been much larger in order to provide what the Navy needs. We think the Navy is now recognizing that. We have gone to a new system this year within the Office of the Chief of Naval Operations of looking to those resource sponsors that have the resources to build planes, to build ships and to build the other weapon systems of the Navy. We have asked those resource sponsors to take a look across that spectrum and determine what is important to support those weapon systems. They have responded in this year's program for the first time by saying, we really believe we need to put more of our resources into those facilities that are necessary to support those complex weapon systems.

INFLATION IN CONSTRUCTION

Senator MATTINGLY. There has been a lot of discussion about the budget. The amended budget request for fiscal year 1982 recognizes some economic adjustments and decreases in inflation. If the inflation factors aren't met what will be the effect on your fiscal year 1981 and 1982 programs?

Admiral ZOBEL. When you say aren't met, in what way, sir?

Senator MATTINGLY. If inflation doesn't go down.

Admiral ZOBEL. We would be required in some cases to come back to you, if the bidding competition is not good enough, for a reprograming. We may even have to come back for increased authorization from the Armed Services Committees. It just depends on the magnitude of the particular problem. Right now we believe our estimates are the best that we can make for the future period.

MARINE CORPS PORTION

Senator **Mattingly**. How is the Marine Corps' portion of the Navy's military construction determined?

General **Petersen**. Sir, the Marine Corps receives a portion of the total Department of the Navy budget for all requirements. The Marine Corps MILCON programing levels are now determined by the Marine Corps as opposed the past in which the Navy would, in essence, determine MILCON priorities within the total Navy package. After those priorities were determined the Marine Corps would get a share. We feel the current method is more equitable and we are quite satisfied with it.

CHILD CARE CENTERS

Senator **Mattingly**. Thank you.

I have got a question here that I would like to ask you about child care centers.

Admiral **Zobel**. Yes, sir.

Senator **Mattingly**. Your budget request is for $10 million for eight child care centers. If these are approved with appropriated funds would they then be considered self-sufficient? In other words, are the operation and maintenance funds then used for day-to-day operations such as utilities and repairs?

Admiral **Zobel**. We expect to get almost all of the dollars required as income from the child care centers, yes, sir.

Senator **Mattingly**. If you are going to build eight, how do you pick where you are going to build them?

Admiral **Zobel**. We have tried to pick areas of maximum personnel concentration.

Senator **Mattingly**. What can the committee expect in the outyear program for other facilities if these are approved?

Admiral **Zobel**. Our program is about $20 million total for the next 3 years.

Senator **Mattingly**. For about 3 years?

Admiral **Zobel**. Right.

Senator **Mattingly**. In other words, $10 million this first year and $20 million for the following 3 years?

Admiral **Zobel**. Yes, sir, and we will correct that for the record if there is any variation in that.

[The information follows:]

Child Care Center Program

The Navy's child care center program includes projects valued at $10.7 million in fiscal year 1982. The follow-on outyear programs approximates $20 million through fiscal year 1986 and includes about 20 projects.

Senator **Mattingly**. Has the Navy surveyed any of these proposed areas for possible use of local facilities?

Admiral **Zobel**. Yes, sir, we have, and we find that they don't meet the requirements because of location, cost to the individual, or because of size.

Senator **Mattingly**. Has the Navy looked at any other alternative method to solve the problems of the need of child care centers, you know, such as any volunteer systems among the mothers?

Admiral ZOBEL. There are undoubtedly some being operated today as volunteer systems. There is a need, though, for a structured location where people already there or moving into the area can take their children. The difficulty is finding people that can take care of those children at a reasonable cost, and on a regular basis, such as every day.

FAMILY SERVICE CENTERS

Senator MATTINGLY. In respect to family service centers your budget included also a request for five family centers at a cost of $2 million. What is a family service center?

Admiral ZOBEL. We look at a center as a one-stop place for help, if you will. New people moving into the area as well those already located there look for help in moving their household goods, finding new housing, marriage counseling getting legal help and, as I indicated in my statement, simple things like pots and pans, and almost anything. They need a one-stop place where they can find out where and how to get help in those areas. They won't necessarily get the help right at the family service center, but they certainly will be then directed to those places where they can get that help.

This, we believe, will really ease the pain of the serviceman who has to move very frequently, who is deployed, and whose wife must remain at home with the full responsibility of the family and the children. She may be a young wife that hasn't been in the service very long, is not familiar with moving, and has now accumulated a few possessions and she needs to know how to get those things moved. She is concerned about that. If her concern transfers over to a sailor who is deployed at sea, that gives us some difficulty. We want to make sure he stays in the Navy and we retain that training that we have invested in him. If we can make his life a little bit easier and his family's life a little bit easier we believe retention will go up.

Senator MATTINGLY. I haven't been gone from the service that long but aren't most of those services that you are providing or asking for presently provided for on the base such as a legal office, chapels, and so on?

Admiral ZOBEL. Yes, sir, many of them are, but it is a matter of being able to have these people go to one place to find out where they can get all of that individual help. They will get some help at the family service center that perhaps they haven's gotten previously, but when it comes to legal, for instance, we are not going to put the legal officer and all of his respective requirements in the family service center. He will still be in his location, but the family service center will tell them exactly how to get there and what they can expect when they get there.

Senator MATTINGLY. Aren't the phone numbers and locations of these services provided in the base phone directories?

Admiral ZOBEL. Yes, sir usually. That is sometimes difficult though for new people coming onboard today.

Senator MATTINGLY. To read a phone book?

Admiral ZOBEL. Well, just to find a phone book sometimes.

Senator MATTINGLY. I have never found that. [Laughter.]

Isn't it equally true that on most bases of any significant size that bus transportation would be available to take individuals around to these various services?

Admiral ZOBEL. It depends on the individual activity, but in many cases there is bus service, yes, sir.

USE OF FAMILY SERVICE CENTERS

Senator MATTINGLY. Are there any statistics that show these services are currently being underused or that building these centers will better utilize these services?

Admiral ZOBEL. I don't think I can give you any statistics right now, regarding certain numbers of people that have been satisfied or not satisfied in a given location. We know, though, from our experience that where we have provided these centers in temporary locations that they have been well used by individuals, particularly those coming into the area.

We find that it is a matter of that young wife or serviceman knowing something was available, looking to the phone book, finding and going there. But if he doesn't even know it exists, and he has a problem and the problem just gnaws away at him. He has something that bothers him. We believe by giving him a one-stop place to go he will then find by association, when he first comes to an activity all of those things that are available to him and the kinds of help that he can get. His wife will know that there is a place that she can go when he is deployed and doesn't have to face the situation of the unknown while he is gone.

Senator MATTINGLY. For the record please provide this committee with the position of the Secretary of Defense on family service centers. Also, it is expected that the Army and the Air Force will later on probably seek similar types of facilities. This is why we need the information.

Admiral ZOBEL. Yes, sir. The Department of Defense does support it, sir, but we will provide that information for the record.

[The information follows:]

FAMILY SERVICE CENTERS

In a letter to the Chairman of the House and Senate Armed Services Committee dated February 16, 1980, the Department of Defense established their policy on the funding of Morale, Welfare and Recreational facilities. Included in the category to be funded from appropriated funds are Family Assistance/Service Centers. Based on this policy, Navy requested and Office of Secretary Defense approved five Family Service Centers in the amount of $2 million to be included in the Fiscal Year 1982 Military Construction budget. It is believed similar requests of the Army and Air Force would receive favorable consideration.

Senator MATTINGLY. How many family service centers do you expect in the future?

Admiral ZOBEL. A total of about 50, sir.

Senator MATTINGLY. Fifty?

Admiral ZOBEL. Yes, sir.

Senator MATTINGLY. At a cost of how much?

Admiral ZOBEL. About $30 million total.

STEAM PLANT—PUGET SOUND NAVAL SHIPYARD

Senator MATTINGLY. You are also requesting $37 million for phase one of a steam plant at Puget Sound Naval Shipyard in Washington. Will you please explain this project to the committee and also what can be expected in future years for this project?

Admiral ZOBEL. Yes, sir. The total on that project is about $150 million and we expect that the remainder of the funds will be requested next year. It is a central steam plant designed to burn coal. It will have all of the various accoutrements that are required like emergency diesel generators to meet emergency needs, compressed air distribution system, breathing air compressors, steam distribution, a condensate return system, a distilled water system and connection to the existing utilities.

There will be two phases as I indicated. In fiscal year 1982 we will procure the boilers, the diesel generators, compressors and other long leadtime equipment. In fiscal year 1983 we will complete the utilities and put in the physical plant and demolish the existing plant.

NAVAL AIR STATION, PENSACOLA

Senator MATTINGLY. Thank you.

For the Naval Air Station at Pensacola, Fla., your budget request is $5.1 million for the applied construction building. What is this type of facility and what is its purpose?

Admiral ZOBEL. Mr. Taylor can answer that question, sir.

Mr. TAYLOR. Yes, sir. This facility provides for the physical fitness training of Naval aviation candidates. It includes a training tank where they can be taught water survival. It also includes a gymnasium where they can get every type of training from physical fitness to hanging in parachute harnesses and learning how to land when they have to parachute from an aircraft.

Senator MATTINGLY. There will be additional questions submitted for your written response later.

Admiral ZOBEL. Yes, sir.

ENVIRONMENTAL MITIGATION—KINGS BAY

Senator MATTINGLY. A couple of quick questions. In reference to the comments made in the presentation about the blasting that it can only be done between October and March.

Admiral ZOBEL. At Kings Bay, yes, sir.

Senator MATTINGLY. Pass that by me just one more time, the reason behind that.

Admiral ZOBEL. Commander Estes.

Commander ESTES. Yes, sir. We have an environmental mitigation program which requires the protection of endangered species because of the Endangered Species Act. It has been determined that the manatees which are present in the Kings Bay area are very sensitive to temperature changes and go south for the winter. During the winter months they are least likely to be there, so those are the months that we can blast. Otherwise we might injure or kill the manatees.

Senator **Mattingly**. A question in that respect. Does that add to the cost because of your delay and you won't be able to use those set months right now?

Commander **Estes**. We don't expect it to significantly affect the cost. It does increase the time that is required to do the overall program and it complicates our own internal scheduling requirements. This is another reason why we need to begin in 1982 to get that done and out of the way.

Senator **Mattingly**. There is no real impact then costwise?

Commander **Estes**. No, sir, not a significant impact.

Senator **Mattingly**. The other question I had was referring to Bangor and the defense access roads that they had there and also in Kings Bay. Let me ask you this as far as the Poseidon submarine versus the Trident program and the timing on that. I think you were saying you were still doing defense access roads for Bangor I believe, weren't you?

Commander **Estes**. Our last road project there is being advertised for bid right now. Essentially the defense access road program at Bangor is over with. At Kings Bay we had some defense access roads in fiscal year 1981 for the Poseidon program. There has been some upgrading and repairing of Georgia Spur 40 and Georgia 40, which is under construction now or completed. The fiscal year 1982 program is under design by the Georgia Department of Transportation.

COLERAIN ROAD—KINGS BAY

Senator **Mattingly**. What is the priority on additional defense access roads at Kings Bay, specifically the Colerain Road in reference to the timing of it? Do you set priority in timing?

Commander **Estes**. Colerain Road has not yet been certified as a defense access road by the Army Military Traffic Management Command. It is not in the program at this point because of noncertification.

Senator **Mattingly**. It has not been certified then?

Admiral **Zobel**. The Navy has supported that, but it has not yet been certified.

Senator **Mattingly**. That certification comes from who again?

Commander **Estes**. The Army Military Traffic Management Command.

Senator **Mattingly**. You don't know what the status of that is, do you?

Commander **Estes**. I know that it is under review by the Military Traffic Management Command. There has been a lot of discussion between the Army and the Federal Highway Administration and the Georgia DOT. As of now a final decision has not been made as to whether it will be certified or not.

PRIORITY LIST

Senator **Mattingly**. Thank you very much. You answered one question I had about that project.

One last question. You referred to when we were talking about the inflation rate that there may be some need for reprograming and as we refer to it in the Appropriations Committee, supplemental appropriations. I would like for you to provide for this committee a priority listing of all of your budget requests from the standpoint of the most current needed down to the bottom line or something that may not be needed. I don't mean as far as trying to protect the defense of our country but there possibly may be an administration building somewhere that may not be needed that could be postponed into another year.

Could you provide a prioritized list to this committee?

Admiral **Zobel**. It would be a very difficult thing to do, Mr. Chairman. I always like to say that as we go through the process of sorting out what is required within the Navy and then go through the justification process with the Office of the Secretary of Defense and then finally bring it to the Congress that by the time it gets to you, we are left with all the A students. The B, C, and D students have all fallen out a long time ago.

So that it is very difficult for us to say from one project to another which one is the most important, for instance, an aircraft hangar or an administration building. I don't know that we have any administration buildings in the program, but if we did it would undoubtedly be one that is required to house necessary functions.

Everything we have is relatively high priority. I think we could give you maybe the low 10 percent or something like that if we were forced to.

Senator **Mattingly**. I guess that is what I am doing. I am forcing you. [Laughter.]

You know the scrutiny of all of the budgets are going to be made. I know that through the lack of defense expenditures over the last few years our defense capabilities have gone down. Everybody is aware of that. But in the same theme, you know, I would like for you to take your A category and break it out by A plus, A and A minus and prioritize that and get those items sent to us, if you would, soon.

Admiral **Zobel**. We will attempt to do that.

Senator **Mattingly**. I know you can. I really think in the budget process possibly that now and in the future it will not show restraint on defense spending. Maybe the budget process of our country may have to be changed slightly so we are not faced with supplemental appropriations that we go through the year because that adds to the deficit which adds to the inflation rate which adds to more taxes for people. Maybe if we could get these prioritized it might help us in the future.

I would appreciate it if you could.

Admiral **Zobel**. I think that I might just comment that over the past few years the Navy has been very successful in getting their programs done within the budgeted amounts.

Senator **Mattingly**. They sure have. I compliment the Navy on it. If we could get the rest of them to go in the same direction it would be all right.

I want to thank all the witnesses for this most informative review of the programs and issues facing this subcommittee in our consideration of the fiscal year 1982 request for the Navy's military construction budget.

SUBCOMMITTEE QUESTIONS

The subcommittee will be submitting further questions for the record as we continue the budget review. In addition, Senator Cranston has asked that we submit questions pertaining to the San Diego Hospital to be made a part of the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

SUBMITTED QUESTIONS

SAN DIEGO MEDICAL FACILITY

Question: Is the Navy presently prohibited from constructing on the Balboa Park site because of a lawsuit involving the City of San Diego? If so, when does the Navy expect this prohibition to be lifted? What are the problems if the prohibition is extended?

Answer: The Navy is not presently prohibited from constructing on the Balboa Park site because of any law suit.

Question: The Committee for the Charter Protection for Parks is planning to seek an injunction to prohibit construction in Balboa Park until its lawsuit has had a fair trial. What will be the impact of possible delays on the hospital construction if this injunction is granted? What will be the costs of any delays? At what point does the Navy feel that such delays make the Balboa Park site unacceptable?

Answer: A suit of the Committee for Charter Protection of Parks et al claiming error in the Environmental Impact Statement requesting an injunction to prohibit Navy from building on the Balboa Park site is pending. A request for preliminary injunction was denied in February 1980 but request for permanent injunction has not been heard. It is always possible that a delay could result from court action; however, the Navy believes this to be unlikely. Based on the inflationary conditions currently being experienced in the construction industry, a $2 million cost increase per each month of delay could be expected. Inasmuch as this same delay would be incurred at Helix Heights, the Navy does not believe that Balboa Park site would become unacceptable.

Question: The Navy asserts that one of the reasons that it finds the Balboa Park site preferrable is because the new structure would be close to Building 26 of the present complex. However, the Navy has not determined what it wants to do with Building 26 in peacetime. Does the Navy have plans for this facility now? Is the Navy planning to mothball the facility? What will this action cost? At what point will the age of Building 26 make its use in wartime too costly and cumbersome?

Answer: The Navy is in the process of selecting an Architect-Engineer firm to study all possible uses for Building 26. This study, recommended by the General Accounting Office, will be completed in October 1981 after which a decision will be made as to use of the building during non-contingency operations. It is expected that this building has at least 25 more years of use with normal maintenance.

Question: Last year the House Appropriations Committee required that the Navy construct the Navy Regional Medical Center within the Fiscal Year 1981 estimate of $293 million. The Navy has since admitted that its estimates for the park site exceed this figure. It now estimates that it will cost $308 million. Does this new figure include the cost of mothballing Building 26? Does it include the cost of remodeling Building 41? Does it include the cost of providing new freeway ramps and access roads? Does it include the cost of the Helioport and the parking building?

Does it include the cost for any further redesigning of the park site?

Answer: The Navy believes that the Naval Regional Medical Center can be constructed within the $293 million provided the project is allowed to proceed on schedule. This figure includes the remodeling of Buildings 26 and 41, the heliport and parking structure. Freeway ramps and access roads are not included. Improvement of Florida Canyon Drive and other off-base road work is included in a project that will be funded from Defense Access Road funds. Design and/or redesign costs come from planning funds rather than project construction funds. As of March 1, 1981, the estimated construction cost for Florida Canyon site is:

	($Million)
Base Line - December 1980 Total	308
Nonappropriated	2
Appropriated	306
Analysis by FY of Appropriated	
March 1981 Estimate	
FY 1981 - Phase I - Site Development	25
1982 - Phase II - Acute Care Facility	204 1/
1984 - Phase III - Equipment	25 2/
1986 - Phase IV - Auxiliary Facilities	36 3/
Total appropriated	290
Nonappropriated (1986)	2
Total Appropriated and nonappropriated	292

1/ Reduction from $217 million based on revised economic assumptions and administration of Davis-Bacon Act. The President's Economic Recovery Plan is expected to result in lower price inflation than those anticipated last year. An administrative revision of the method for calculating wage rates under the Davis Bacon Act, which governs wage rates paid to workers in the building and construction trades, will permit a reduction in the labor cost component of facility construction.

2/ Reduction for inflation only was not significant when rounded to the nearest million.

3/ Reduction from $39 million for revised economic assumptions and administration of Davis-Bacon Act.

Question: The City of San Diego does not accept the Navy's offer of $3.7 million for purchase of the land in the park as sufficient. If this figure is increased, will the Navy have to ask the Congress for additional funding for the park site? How did the Navy determine that $3.7 million was a fair market value for the land in Balboa Park?

Answer: The $3.7 million estimate for the Florida Canyon land was established by an independant appraiser based on its highest and best use. The final cost will be established by the court. The Navy has the authority and hopes to pay the city for the land by trade on an equal value basis with Navy property in Balboa Park. If this fails, and the court established cost is greater than $3.7 million, it may be necessary for the Navy to seek approval of the Congress of a reprogramming of funds for this project.

Question: In the draft supplemental environmental impact statement the Navy did not identify the whereabouts of the 15 acres it requires for evolutionary expansion. Are there 15 acres for expansion in the Balboa Park site or is the site so constrained by the topography that the Navy would not be able to expand unless it went even further into dedicated park land?

Answer: The 15 acres identified for evolutionary expansion would be acreage in the Helix Heights area on the south side of Market Street. There is sufficient space at Florida Canyon, on Navy property, to accommodate expansion.

KINGS BAY CONSTRUCTION PLAN

Question. Supply for the record the details of the Kings Bay base construction plan and show how it relates to the expected initial delivery date.

Answer. The TRIDENT construction plan at Kings Bay is based on a 1990 IOC in support of the eleventh TRIDENT SSBN equipped with the present TRIDENT missile while protecting the option to deploy an earlier TRIDENT submarine backfitted with an upgraded missile in 1989. The plan includes the design and construction of facilities such that they will be completed in time to allow initial outfitting of equipment, a shakedown period and subsequent certificiation of facilities, all scheduled to meet the IOC date.

There are several critical paths in the construction plan. The first begins with initial dredging operations which must be completed before the drydock and other significant waterfront construction can begin.

The dredging program also will provide dredge spoil to be used as a construction base for the strategic weapons area. This construction base, and the supporting utilities and site improvements, must be completed prior to the construction in the strategic weapons area planned to begin with the FY 1985 program. These facilities must be completed in time to allow outfitting with sophisticated missile assembly and checkout equipment, shakedown and run-through of missile production operations, and initial certifications prior to initial missile production which is before IOC.

Another critical area of the plan is the utilities and transportation infrastructure which must be constructed in 1982, 1983 and 1984. These projects will support subsequent construction at the waterfront (drydock, refit wharves, explosive handling wharf), the strategic weapons facility and the TRIDENT Training Facility. The TRIDENT Training Facility must be constructed and outfitted, have an initial shakedown period and be certified before the initial training cycle begins in early 1989.

All operational and operational support facilities have been carefully integrated into the overall construction plan, so the construction will be completed in sufficient time to permit outfitting of facilities with sophisticated equipment and subsequent shakedown and certification prior to the IOC.

ECONOMIC AND INFLATION ADJUSTMENTS

Question: The amended budget request for FY 1982 recognizes some economic adjustments and a decrease in inflation. Would you explain to the Subcommittee how this proposal was worked into your request? Also, if the inflation factors recognized are not met, what will be the effect on your FY 81 and FY 82 programs?

Answer: The cost of each project in the FY 1982 budget request was adjusted downward as a result of forecasted savings. These savings are expected to be realized through improved administrative procedures in applying the provisions of the Davis-Bacon Act and reduced inflation. Total savings are expected to be $64,600,000.

Savings attributable to improved procedures in applying the Davis-Bacon Act provisions are $30,300,000. . Since the Davis-Bacon Act provisions apply only to projects in the United States, each project in the United States was reduced by approximately 3.0 percent.

Savings attributable to reduced inflation are $34,300,000 and every project in the budget request was reduced by approximately 2.9 percent.

In sum, projects in the United States were reduced by 5.9 percent and those outside the United States were reduced by 2.9 percent.

DETERMINATION OF PRIORITIES

Question: In general, how does the Navy determine the priorities within your own program - for example, operational versus research and development type facilities?

Answer: The Military Construction budget amount is established in competition with other appropriations such as Shipbuilding and Conversion, Navy; Aircraft Procurement, Navy; and Weapons Procurement, Navy. Given the competition and numerous variables within the Military Construction budget the response to the question, "How does the Navy determine the priorities within your own program - for example, operational versus research and development type facilities" must be answered by first addressing two key steps, planning and programming, which precede budget development.

The planning process identifies the facilities requirements based on missions and tasks assigned each Naval installation by the Chief of Naval Operations. The mission and tasks of a Naval installation are defined more precisely by a force distribution report that projects base loadings for the next eight years in terms of personnel, ships, aircraft, and tenants. This force distribution is translated into facilities requirements to accomplish assigned missions and tasks. As a part of planning, facilities requirements are compared with assets to determine deficiencies or excesses. If we have excesses, the solution is simple; we mothball, convert to a use for which a deficiency exists, or dispose of the excess facilities. If a facility deficiency exists, the requirement is validated by Navy's facility planning system and entered into the Military Construction Facilities requirements list. Programming starts at this point and its foundation is annual guidance provided by the Office of the Secretary of Defense setting forth the proposed resources for the Navy for the next five years to accomplish its missions and tasks within national strategy. The Chief of Naval Operations distributes these resources to Navy offices called resource sponsors, who are basically oriented to major Navy mission responsibilities. The resource sponsor determines, within his resources, how best to accomplish his mission. As an example, the air warfare resource sponsor must make decisions on how much of his program to devote to aircraft, missiles, carriers, repairs, plant maintenance, replenishment spares and new or replacement facilities. If he elects to program resources to military construction to build a new hangar, he has decided to defer some hardware acquisition or maintenance. Each resource sponsor makes similar decisions. The military construction budget level is also impacted by national programs such as pollution abatement and energy. At an annual meeting, Fleet and Major Commanders advise resource sponsors or their most urgent facility requirements. The projects in the Military Construction budget then reflect the highest priorities of the Navy for a given budget. Because of variables mentioned before, the budget formulation is an iterative process and subject to change. The point to be stressed is that Navy has a logical system that gives confidence in the decisions made to request authority and funding for certain projects this year and to defer others to future budgets.

Mariana Islands Land Lease

Question. Your budget requests $32 million for a land lease in the Mariana Islands. Would you please explain this request and its purpose?

Answer. This project will lease over 18,000 acres of land from the newly formed Commonwealth of the Northern Mariana Islands by a single payment for a period of 50 years, with renewal for an additional 50 years at no additional cost. Land to be leased is located on the islands of Tinian, Saipan and Farallon de Medinilla. The leased areas will be used for an explosive ordnance impact site, for future logistics port transshipment sites, and for training exercises involving amphibious forces. The area will also provide for a fallback position for U.S. forces in the event base rights at more forward areas in the Pacific are lost during the period of the lease. Additional classified requirements have been provided to the Committee Staff.

SIMA

Question. Briefly explain to the Committee what is the purpose of Shore Intermediate Maintenance Activities (SIMA)?

Answer. Intermediate level repair and maintenance capability for most surface ships and submarines occurs in the form of tenders or repair ships in the afloat or mobile mode, and in Shore Intermediate Maintenance Activities (SIMAs) located ashore at Naval Stations which serve as major homeports. The SIMA's work force is made up of military enlisted personnel. The main thrust of the SIMA military construction (MILCON) program is to replace inadequate buildings and surplus and obsolete equipment and replace them with modern fully equipped shore facilities. These facilities will enable the Navy to meet the ship maintenance workload by improving efficiency, responsiveness and productivity as well as providing rotational billets for sailors in maintenance rates so that they can practice and advance their technical skills while serving ashore tours. The original SIMA facilities are old and expensive to maintain. Critical support systems are unreliable, and compromises to safety have been made. SIMAs have been designed to meet the challenges of significant increases anticipated in intermediate support functions and workload by 1985. These increases can be attributed to: (1) an increase in both type and total number of surface force ships; (2) the introduction of "low-mix concept" ships (FFG-7) which have a "designed-in" reduction in maintenance personnel levels in ships crews, which result in a shift of intermediate maintenance to shore IMAs; (3) numerous ship modernization programs which add sophisticated equipment to the ship and require maintenance capabililities which cannot be provided by on-board maintenance forces; and (4) significant backlogs of deferred IMA work. With the approval of the FY 81 MILCON submittal over 50% of the SIMA's MILCON program will have been authorized.

Question. In the past, there was thought to be a manning problem for the SIMA program. What is the status of this question?

Answer. The Navy is fully committed to manning SIMAs at 100% of the authorized billets. There was a manning problem prior to fiscal year 1979 and the Navy recognized it. As a result of a thorough review of this problem, the Chief of Naval Operations directed that the authorized billets be set to a level that could be manned at 100% and that IMA work beyond the capacity of the SIMAs be contracted out to private industry. This resulted in a reduction of over 2,000 SIMA billets in fiscal year 1979.

Based on an analysis of Navy manpower projections the Navy will increase SIMA manning from about 5,600 enlisted billets in fiscal year 1985. The facilities are sized to match the manpower available and the Chief of Naval Personnel has stated that the manpower will be available. In fact, the January 1981 actual on-board total was 6,064, over 400 above the projection for that time. This indicates that the Navy is well along in its commitment of reaching the projected 6,500 enlisted billets required to man the SIMAs in 1985.

Naval Station, Long Beach, California

Question At the Naval Station in Long Beach, California your budget request is $22M for waterfront improvements. It is my understanding that this project involves homeporting of new ships at Long Beach. Can you explain this project to the committee?

Answer. The Pacific Fleet will acquire additional ships over the next few years. The major West Coast homeport for ships is presently San Diego. If the increased number of ships were all accommodated at San Diego, at least two additional piers would be required at a cost of at least $77 million. By changing homeport of 27 ships from San Diego to Long Beach, few new facilities are required, and there is a savings of $43 million in construction and repair funds.

Naval Air Station, North Island, California

Question. The budget request includes $12.5 million for an applied instruction building at the Naval Air Station, North Island, California. Can you please provide some detail on this project?

Answer. North Island is the initial Pacific fleet introduction site for the Navy's new LAMPS MK III helicopter. This building will house new flight trainers now under procurement. These trainers, and maintenance trainers to be installed in an existing building being altered by the project, will teach our pilots and sailors the techniques of operating and maintaining this new aircraft. Our existing training buildings at North Island are fully utilized now by the LAMPS MK I helicopter trainers and the S-3A ASW trainers, and will continue in that use for several years. The Navy sees this project as vital to the LAMPS MK III program. We do have a problem with this project, though, in that our cost estimate is now $16,300,000. This is due to a more realistic pricing of the work to be done. We did increase the scope of the maintenance training building addition and alterations, but this was done because a different and better building became available. This increase in maintenance training space is not the cause for the cost increase.

PRIORITY LIST

Question: Please provide the Committee with a priority listing of your budget request.

Answer: All of the projects in this year's request have a high priority in relationship to the balance of projects in the Navy's $12.4 billion backlog of facilities requirements. It is difficult to differentiate relative priorities of the top 90% of the program. Therefore, the projects in the upper 90 percentile are designated priority one and the projects in the lower 10 percentile have been assigned priorities 2 thru 14 and are displayed below:

Priority	Installation/ Location	Project Title	($000)	CUM ($000)
2	NNMC Bethesda, MD	Facility Energy Improvements	1,100	141,877
3	NAS Brunswick, ME	Boiler Plant Modifications	12,800	140,777
4	NAS Moffett Field, CA	Facility Energy Improvements	500	127,977
5	NARF Norfolk, VA	Facility Energy Improvements	2,150	127,477
6	NSC San Diego, CA	Oil Spill Prevention	1,150	125,327
7	NAS North Island, CA	Oil Spill Prevention	740	124,177
8	NSC Oakland, CA	Oil Spill Prevention	720	123,437

Priority	Installation/ Location	Project Title	($000)	CUM ($000)
9	ND Washington, DC	Oil Spill Prevention	250	122,717
10	NSC Norfolk, VA	Oil Spill Prevention	6,200	122,467
11	NSY Norfolk, VA (Portsmouth), VA	Oil Spill Prevention	1,150	116,267
12	MCD&EC Quantico, VA	Oil Spill Prevention	6,500	115,117
13	NARF Cherry Point, NC	Oil Spill Prevention	2,800	108,617
14	Various	Underfunding	105,817	105,817

Correspondingly, the lower 10 percentile priority of Marine Corps projects follow:

Priority	Installation/ Location	Project Title	($000)	CUM ($000)
2	MCAS Beaufort, SC	Ordnance Area Security	480,000	7,420,000
3	Camp H.M.Smith, HI	Maintenance Shops	2,900,000	6,940,000
4	MCRD San Diego, CA	Police and Fire Station	1,300,000	4,040,000
5	MCAS(H) New River, NC	Maintenance Hangar Addition	710,000	2,740,000
6	MCRD Parris Island, SC	Telephone Exchange Building	1,550,000	2,030,000
7	MCAS El Toro, CA	Photographic Building	480,000	480,000

RESTORATION OR REPLACEMENT OF DAMAGED OR DESTROYED FACILITIES

The following question was not asked at the hearing but was submitted to the department for response subsequent to the hearing.

Question. Are there any Restoration or Replacement of Damaged or Destroyed Facilities projects pending?

Answer. The Navy Department has three. The first, at the Naval Submarine Base New London, Groton, Connecticut, will replace an urgently required Supply Operations Assistance Program (SOAP) Team specialized supply space and also general warehouse space that was destroyed by fire. Loss of this facility has adversely impacted fleet readiness and forced relocation into other temporary spaces which must in turn be demolished to make room for facilities planned for construction this fall. The only facility which will then be available for SOAP Team and warehouse use, the old commissary building, was replaced by a previous project because of the old building's high maintenance cost. This pending replacement project is under design at this time and will construct a new 36,000 square foot, two story building at an estimated cost of $2,000,000. A copy of the Military Construction Project Data, Form 1391 follows:

(Insert DD Form 1391)

REPLACEMENT OF DESTROYED FACILITIES

1. COMPONENT NAVY	FY 19 81 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 29 APR 1981

3. INSTALLATION AND LOCATION NAVAL SUBMARINE BASE NEW LONDON GROTON, CONNECTICUT	4. PROJECT TITLE SOAP TEAM AND WAREHOUSE FACILITY

5. PROGRAM ELEMENT 2 48 96N	6. CATEGORY CODE 441.10	7. PROJECT NUMBER P-360	8. PROJECT COST ($000) 2,000

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
PRIMARY FACILITIES	-	-	-	1,477
WAREHOUSE	SF	18,000	38.75	(698)
SOAP FACILITY	SF	18,000	38.75	(698)
RELOCATE DUMPSTER FACILITY	LS	-	-	(26)
BUILT-IN EQUIPMENT	LS	-	-	(55)
SUPPORT FACILITIES	-	-	-	326
ELECTRICAL	LS	-	-	(27)
MECHANICAL	LS	-	-	(151)
ROADS, PARKING, SIDEWALKS	LS	-	-	(12)
DEMOLITION	LS	-	-	(136)
SUBTOTAL	-	-	-	1,803
CONTINGENCY (5%)	-	-	-	90
TOTAL CONTRACT COST	-	-	-	1,893
SUPERVISION, INSPECTION & OVERHEAD (5.5%)	-	-	-	104
TOTAL REQUEST	-	-	-	1,997
TOTAL REQUEST (ROUNDED)	-	-	-	2,000
EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS	-	-	(NON-ADD)	(0)

10. DESCRIPTION OF PROPOSED CONSTRUCTION

Two story reinforced concrete structure with insulated brick cavity walls, fire protection system, two hydraulic freight elevators, utilities, air conditioning - 10 tons. Relocate dumpster cleaning facility from project site and demolish Building 139.

11. REQUIREMENT: 209,924 SF. ADEQUATE: 123,187 SF. SUBSTANDARD: 58,259 SF.

PROJECT: Provides replacement of Supply Operations Assistance Program (SOAP) Team and general warehouse space for Building 151, which was destroyed by fire. Building 151 contained 38,356 SF of space. The SOAP facility deficiency totals 19,000 SF and the general warehouse deficiency was already over 36,000 SF prior to the fire. The new facility totals 36,000 SF.

REQUIREMENT: Replacement space must be provided for effective, efficient SOAP Team operations and for general warehouse storage. The SOAP Team, New London Component provides supply assistance to ships by accomplishing supply overhauls concurrent with maintenance overhauls of the ships at Bath, Maine; Brooklyn, New York; Portsmouth, New Hampshire; and Groton, Connecticut. Replacement general warehouse space is required for transient fleet units, SUBASE tenants and the SUBASE Supply Department.

DD FORM 1 DEC 76 1391
S/N 0102-LF-001-3910

PREVIOUS EDITIONS MAY BE USED INTERNALLY UNTIL EXHAUSTED

1. COMPONENT NAVY	FY 19 81 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 29 APR 1981

3. INSTALLATION AND LOCATION

NAVAL SUBMARINE BASE NEW LONDON GROTON, CONNECTICUT

4. PROJECT TITLE SOAP TEAM AND WAREHOUSE FACILITY	5. PROJECT NUMBER P-360

CURRENT SITUATION: The current temporary facilities will be demolished to make room for an ongoing MILCON project, forcing relocation to Building 139, the old commissary building, which must in turn be demolished as soon as the new facility is available. Insufficient space is available to accommodate the growing SOAP Team workload and general warehouse requirements.

IMPACT IF NOT PROVIDED: The SOAP Team and the Supply Department will be forced to continue use of the old commissary store, a high maintenance facility that was replaced primarily because of the cost of upkeep. This building was inefficiently designed for this purpose, and its use will severely impact the SOAP Team's abilities to perform its mission, thus adversely affecting fleet readiness. Additional expense will be incurred for supply operations due to the remoteness of this interim facility from other supply operations. SUBASE tenants and transient fleet units will not have required storage space, with a corresponding reduction in readiness.

PREVIOUS EDITIONS MAY BE USED INTERNALLY
UNTIL EXHAUSTED

The second project, at the Administrative Support Unit Bahrain, will replace a combined maintenance and storage facility destroyed by fire. As a result of the loss of this facility, work is being accomplished in small, makeshift shop spaces or outside and material is being stored outside and in emergency vehicle storage areas, thus subjecting the emergency vehicles to the harsh climate of Bahrain. This pending replacement project is under design at this time and will construct a new 15,000 square foot building at an estimated cost of $1,400,000. This building will become the property of the State of Bahrain as the lease agreement for use of Administrative Support Unit Bahrain facilities between the United States and the Government of the State of Bahrain requires the United States to maintain the buildings in a good and tenantable state of repair. This lease further provides that the parties to the lease shall come to agreement on replacement of destroyed facilities when the casualty is a result of the fault or negligence of the United States. As the facility was destroyed by arson, the State of Bahrain and the United States have informally agreed that the United States will replace the facility, (to be accomplished by this project). A copy of the Military Construction Project Data, Form 1391 follows:

(Insert DD Form 1391)

RESTORATION OF DAMAGED FACILITY

1. COMPONENT NAVY	FY 19 82 MILITARY CONSTRUCTION PROJECT DATA		2. DATE 12 MAY 1981
3. INSTALLATION AND LOCATION ADMINISTRATIVE SUPPORT UNIT, BAHRAIN		4. PROJECT TITLE MAINTENANCE SHOPS AND STORAGE	
5. PROGRAM ELEMENT	6. CATEGORY CODE 219.10	7. PROJECT NUMBER P-999	8. PROJECT COST ($000) 1,400

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
MAINTENANCE SHOPS & STORAGE.	SF	15,000	74.00	1,110
SUPPORTING FACILITIES.	-	-	-	110
UTILITIES.	LS	-	-	(85)
SITE IMPROVEMENT	LS	-	-	(25)
SUBTOTAL	-	-	-	1,220
CONTINGENCY (10%).	-	-	-	122
TOTAL CONTRACT COST.	-	-	-	1,342
SUPERVISION, INSPECTION & OVERHEAD (5.5%). .	-	-	-	74
TOTAL REQUEST.	-	-	-	1,416
TOTAL REQUEST (ROUNDED).	-	-	-	1,400
EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS	-	-	(NON-ADD)	(0)

10. DESCRIPTION OF PROPOSED CONSTRUCTION

One-level pre-engineered steel building, concrete foundation and floor, insulation, fire protection system, high-bay areas, gravity ventilation, utilities.

11. REQUIREMENT: 15,000 SF. ADEQUATE: 0 SF. SUBSTANDARD: 0 SF.

PROJECT: Provides building for public works maintenance shops, communication equipment maintenance shops, public works and personnel support storage.

REQUIREMENT: Adequate maintenance and storage facilities to support mission tasking.

CURRENT SITUATION: On 29 July 1980, 22,000 SF of maintenance shops and storage facilities were destroyed by fire. Temporary and inadequate buildings are being used for limited shop and storage functions; material is staged outside; emergency vehicles are parked outside to provide storage; shop spaces are small, inadequate, and cannot sustain maintenance efforts. Rental or lease arrangements are not available.

IMPACT IF NOT PROVIDED: Mission capability will erode; material procurement on local economy will increase cost of operations.

ADDITIONAL: An economic analysis has not been prepared as there is no alternative to satisfy the deficiency.

The final project, at the Marine Corps Base, Camp Pendleton, California, will restore road crossings washed away by severe flooding. Water flows in major drainage basins have caused heavy damage to roads and creek crossings, severing access routes to training areas and isolating military units. Emergency procedures have been implemented to maintain operations and relieve health and safety hazards. Some of this construction is restoring areas previously restored under a FY 1979 project, as a result of unusually heavy storms in two consecutive winters. This restoration is required to maintain logistics support, training schedules and combat readiness. Project design has commenced for this project which has a total cost of $1,300,000. A copy of the Military Construction Project Data, Form 1391 follows:

(Insert DD Form 1391)

1. COMPONENT NAVY	FY 19 82 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 11 MAY 1981

3. INSTALLATION AND LOCATION
MARINE CORPS BASE,
CAMP PENDLETON, CALIFORNIA

4. PROJECT TITLE
ROADS AND GROUNDS
IMPROVEMENTS

5. PROGRAM ELEMENT: 2 64 96 M

6. CATEGORY CODE: 851.10

7. PROJECT NUMBER: P-940

8. PROJECT COST ($000): 1,300

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
ROADS & GROUNDS IMPROVEMENTS	LS	-	-	1,120
STUART MESA ROAD CROSSING.	LS	-	-	(15)
BEACH CLUB ROAD CROSSING	LS	-	-	(185)
BASILONE ROAD CROSSING	LS	-	-	(625)
HORNO ACCESS ROAD CROSSING	LS	-	-	(295)
SUBTOTAL	-	-	-	1,120
CONTINGENCY (10%).	-	-	-	112
TOTAL CONTRACT COST.	-	-	-	1,232
SUPERVISION, INSPECTION & OVERHEAD (5.5%). .	-	-	-	68
TOTAL REQUEST.	-	-	-	1,300
TOTAL REQUEST (ROUNDED).	-	-	-	1,300
EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS	-	-	(NON-ADD)	(0)

10. DESCRIPTION OF PROPOSED CONSTRUCTION

Levees with rock protection; corrugated steel drainage pipes; concrete ford creek crossing; steam bed excavation; single span bridge; replace sewer force main; demolition of concrete box culverts.

11. REQUIREMENT: VARIES.

PROJECT: Repairs/replaces road crossings over creeks.

REQUIREMENT: Adequate crossings over creeks for access and operational integrity.

CURRENT SITUATION: Flood water flows in major drainage basins have caused heavy damages to roads and creek crossings. Access routes have been severed, training areas and military units were isolated. Emergency procedures have been implemented to maintain operations and relieve health and safety hazards. Hazardous driving conditions prevail. Roads have washed-out.

IMPACT IF NOT PROVIDED: Logistics support and operations will suffer; training schedules and combat readiness cannot be maintained.

ADDITIONAL: An economic analysis has not been prepared as there is no alternative to satisfy the deficiencies and meet the requirements.

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UNTIL EXHAUSTED

SUBCOMMITTEE RECESS

Senator **Mattingly**. At this time the subcommittee will stand in recess until Monday, May 18th at 10 a.m. when we will receive testimony on the Guard and Reserve Forces construction program for fiscal year 1982.

[Whereupon, at 11:55 a.m., Wednesday, May 13, the subcommittee was recessed, to reconvene at 10 a.m., Monday, May 18.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1982

MONDAY, MAY 18, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPRORIATIONS,
Washington, D.C.

The subcommittee met at 10:05 a.m. in room 1224, Everett McKinley Dirksen Senate Office Building, Hon. Jim Sasser, presiding.

Present: Senator Sasser.

DEPARTMENT OF DEFENSE

NATIONAL GUARD AND RESERVE UNITS

CONSTRUCTION PROGRAM

Senator **SASSER**. The subcommittee will come to order.

Good morning, gentlemen. This morning we will receive testimony in support of the budget request of $236,200,000 for military construction requirements for the National Guard and Reserve Units.

INTRODUCTION OF WITNESSES

With us today to support this fiscal year 1982 program are Mr. Thomas V. Bee, representing the Office of the Secretary of Defense; Maj. Gen. Emmett Walker, Jr., Director of the Army National Guard; Maj. Gen. John Conaway, Director of the Air National Guard; Maj. Gen. William Berkman, the Chief of Army Reserve; Rear Adm. C. A. E. Johnson, Jr., Deputy Director of the Naval Reserve; and Brig. Gen. James Wahleithner, Deputy Chief of the Air Force Reserve.

Well, gentlemen, I want to welcome you this morning and express my personal support and that of the subcommittee for the vital role that the Guard and Reserves play in our force structure. This subcommittee has been very supportive of your construction needs in the past. It is our intention to continue in this direction.

Also with us today are representatives of the Reserve Officers Association and the National Guard Association who will give outside testimony regarding the construction needs of the Guard and Reserve Forces.

Representing the Reserve Officers Association is their executive director, Maj. Gen. J. Milnor Roberts, and speaking for the National Guard Association is their executive vice president, Maj. Gen. Francis S. Greenlief.

Because of time constraints on the subcommittee we will receive testimony from the Department of Defense witnesses first.

Gentlemen, you may present your testimony as you wish and if you have further or more detailed statements we would like to make them a part of the record.

I will have to ask this morning that General Roberts and General Greenlief limit their oral presentation to 5 or 10 minutes. Their complete statements also will be made a part of the record.

Mr. Bee, please begin, and the rest of you gentlemen should follow in the order which, I understand, has been previously arranged.

DEPARTMENT OF DEFENSE

Installations and Housing

STATEMENT OF THOMAS V. BEE, STAFF OFFICER, OFFICE OF THE DEPUTY ASSISTANT SECRETARY OF DEFENSE, INSTALLATIONS AND HOUSING

Mr. **Bee**. Good morning, sir.

Mr. Chairman, I have a very short statement. I can further abbreviate it if you would prefer that.

Senator **Sasser**. Yes, that would be preferable. Thank you.

Mr. **Bee**. Mr. Chairman, it is a privilege to appear before the committee and present the Department of Defense Guard and Reserve Forces military construction program.

ACTIVITIES OF GUARD AND RESERVE FORCES

The Guard and Reserve Forces have assumed an increasingly important role in our national defense over the past few years where they have taken on some current missions of the Active Forces and they constitute about 30 percent of our total force.

They have taken on such active support missions as airlift support for the Southern Command and also have roles in some of our highest priority wartime missions, including the Rapid Deployment Force. When you consider that we support this force with about 5-percent of the total defense budget it becomes clearly evident that this is one of our better defense investments.

However, with increased reliance upon the Guard and Reserve their need for adequate facilities has become even more important today than in the past.

The request this morning includes $236.2 million. It includes projects in 41 States, Puerto Rico, and the Virgin Islands and it is structured to support improvements in readiness and cost effectiveness. Approximately 30 percent of the request is in support of new missions, new equipment, or equipment upgrades primarily those associated with new aircraft.

We have also intensified efforts to promote joint utilization of armories and Reserve centers, particularly in the small communities, where any one of the components is not likely to have a program large enough to fully utilize these facilities every weekend.

This request includes 10 such projects which will build or expand 6 facilities for joint use. We expect similar results in future programs as we are encouraged by new efforts being made by the component staffs to work together on long-range planning and have noticed the influence of these efforts in the proceedings of the various State Guard and Reserve Forces Facilities Boards.

The details of the request are as follows:

ARMY NATIONAL GUARD

The Army National Guard requests $47 million which includes 24 armory projects, including 2 jointly constructed with the Army Reserve, 13 vehicle storage and maintenance facilities, 4 flight facilities, and 18 general support and training site improvements. The projects are at 48 locations in 28 States and the Virgin Islands; $5.5 million is for planning, design, and minor construction.

ARMY RESERVE

The Army Reserve requests $39 million which will provide for renovation and expansion of the 11 Reserve centers, construction of 2 new Reserve centers, an equipment concentration site, a range facilities project, 2 area vehicle maintenance facilities, and 2 flight facilities. The projects are at 20 locations in 16 States. They include two projects with the Army National Guard and one project jointly with the Naval Reserve; $8.6 million is included for planning, design, and minor construction.

NAVAL AND MARINE CORPS RESERVES

The Naval and Marine Corps Reserves request $26.4 million which includes six projects in support of aviation programs, one new Reserve center, the expansion of three other Reserve centers, and an energy conservation project. The projects are at eight locations in eight States. They include an addition to an Army Reserve center for joint utilization with the Naval Reserve and to a Naval Reserve center for joint utilization with the Marine Corps Reserve; $2.5 million is included for planning, design, and minor construction.

AIR NATIONAL GUARD

The Air National Guard requests $89.1 million which includes 32 projects at 24 locations in 19 States and Puerto Rico. Approximately $35.8 million is associated with new missions in support of new aircraft assignments; $10.4 million is included for planning, design, and minor construction.

AIR FORCE RESERVE

The Air Force Reserve requests $34.7 million which includes 21 projects at 14 locations in 13 States. Approximately $18 million is associated with new missions to support new aircraft assignments and $6.2 million is requested for planning, design, and minor construction.

GUARD AND RESERVE COMPONENTS

The Guard and Reserve components are doing very well in executing approved programs and to date they have initiated work on about 70 percent of the 1981 program. We expect to have the major portions of the remaining work initiated by mid-summer.

Mr. Chairman, I wish to express the appreciation of the Department of Defense for the understanding and support of the committee over the past years and I solicit your approval of the fiscal year 1982 request.

If you or members of the committee have questions regarding this program, why I will be pleased to discuss them after the other gentlemen have presented their short statements.

Thank you very much.

PREPARED STATEMENT

Senator SASSER. Thank you, Mr. Bee. Your prepared statement will be inserted in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF THOMAS BEE, STAFF OFFICER

OFFICE OF THE DEPUTY ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND HOUSING)

Mr. Chairman, members of the Committee: It is a privilege to appear before this Committee and present the Department of Defense Guard and Reserve Forces Military Construction Program request. The Guard and Reserve Forces have assumed an increasingly important role in our National Defense over the past few years where they now constitute about 30 percent of our total force. They have taken on some current peacetime missions of the active forces such as the airlift support for Southern Command, and also have important roles in some of our highest priority wartime missions, including the Rapid Deployment Force. When you consider that we support this force with approximately 5 percent of the total Defense budget it becomes clearly evident that this is one of our better Defense investments. However, with increased reliance upon the Guard and Reserve, their need for adequate facilities has become even more important today than in the past.

Ten years ago, we realized that the facilities inventory of the Guard and Reserve built shortly after World War II was rapidly deteriorating. An identified backlog of construction requirements then totaled $1.2 billion. At fiscal year 1982 prices, that figure would be over $3.0 billion. Our current backlog totals approximately $2.4 billion. While this is still large, it compares with the active force backlog and does indicate a reduction in real terms during this period of increased reliance on the Guard and Reserve.

The Department of Defense has established five goals for improved readiness this coming year. These are (1) to increase public support for the Guard and Reserve; (2) to increase strength of Selected Reserve units; (3) to insure an adequate supply of pretrained individual manpower; (4) to improve Ready Reserve training; and (5) to improve Ready Reserve resource management. We are working closely with the Guard and Reserve Component staffs to insure that our facilities programs support those goals.

The request includes $236.2 million. Considering inflation, this is consistent with past programs and should contain growth in the overall backlog. The request includes projects in 41 states, Puerto Rico and the Virgin Islands and is structured to support the goals mentioned earlier with emphasis on improvements in readiness and cost effectiveness. Approximately 30 percent of the request is in support of new missions, new equipment or equipment upgrades—primarily those associated with aircraft. We have intensified efforts to promote joint-utilization of armories and reserve centers, particularly in the small communities where any one of the components where any one of the components is not likely to have a program large enough to fully utilize these facilities every weekend. This request contains ten such projects which will build or expand six facilities for joint use. We expect similar results in future programs as we are encouraged by new efforts being made by the Component staffs to work together on long-range planning and have noticed the influence of these efforts in the proceedings of the various State Guard and Reserve Forces Facilities Boards.

The request also fully supports programs to improve safety, to abate pollution, and to conserve energy. These items are inherent features within regular projects.

The details of the request are as follows:

The Army National Guard requests $47.0 million which includes 24 armory projects, including two jointly constructed with the Army Reserve, 13 vehicle storage and maintenance facilities, four flight facilities, and 18 general support and training site improvements. Projects are at 48 locations in 28 States and the Virgin Islands. $5.5 million is for planning, design and minor construction.

The Army Reserve requests $39.0 million which will provide for the renovation and expansion of 11 reserve centers, construction of two new reserve centers, an equipment concentration site, a range facilities project, two area vehicle maintenance facilities and three flight facilities. The projects are at 20 locations in 16 States. They include two joint projects with the Army National Guard and one joint project with the Naval Reserve. $8.6 million is included for planning, design and minor construction.

The Naval and Marine Corps Reserves request $26.4 million which includes six projects in support of aviation programs, one new reserve center, the expansion of three other reserve centers, and an energy conservation project. The projects are at eight locations in eight States. They include an addition to an Army Reserve Center for joint utilization with the Naval Reserve and to a Naval Reserve Center for joint utilization with the Marine Corps Reserve. $2.5 million is included for planning, design and minor construction.

The Air National Guard requests $89.1 million which includes 32 projects at 24 locations in 19 States and Puerto Rico. Approximately $35.8 million is associated with new missions in support of new aircraft assignments. $10.4 million is included for planning, design and minor construction.

The Air Force Reserve requests $34.7 million which includes 21 projects at 14 locations in 13 States. Approximately $18.0 million is associated with new missions to support new aircraft assignments. $6.2 million is requested for planning, design and minor construction.

The Guard and Reserve Components continued to do very well in executing approved programs. To date, they have initiated work on approximately 70 percent of the fiscal year 1981 program and will have the major portions of the remaining work initiated by mid-summer.

Mr. Chairman, I wish to express the appreciation of the Department of Defense for the understanding and support of the Committee over the past years; and I solicit your approval of the fiscal year 1982 request. If you or the members of this Committee have questions regarding this program, I will be pleased to discuss them at this time. With me also are representatives of the Guard and Reserve who are available to discuss detailed aspects of their programs. They also have prepared statements.

Thank you.

ARMY NATIONAL GUARD

STATEMENT OF MAJ. GEN. EMMETT H. WALKER, U.S.A., DIRECTOR, ARMY NATIONAL GUARD

ACCOMPANIED BY FRED W. ARON, CHIEF, ARMY INSTALLATIONS DIVISION

Senator **SASSER**. General Walker, I understand you are next. We look forward to hearing from you.

General **WALKER**. Thank you, Mr. Chairman.

I am Major General Walker, the Director of the Army National Guard.

Sir, I have a written statement that I request be entered into the record and, with your permission, I have a very brief oral statement.

Senator **SASSER**. All right, sir.

BUDGET REQUEST

General **WALKER**. Mr. Chairman, the Army National Guard construction program has not been funded at minimum required levels. In fiscal 1976 our construction funding had reached $63 million. In the years that followed funding declined and reduced to a low of $24 million in fiscal year 1980. In 1976 dollars that $24 million represented $16 million in buying power or one-fourth of the 1976 program.

In my opinion, the Army National Guard has a funding requirement of $70 to $75 million annually plus inflation. I believe it is the intent of Congress to improve the readiness of the Army National Guard. In order for this to be done this level must be achieved and maintained.

The 1982 program of $47 million falls far short. What we have at stake is the readiness of 50 percent of the total combat power of the total Army.

Sir, we appreciate the support of this committee in the past and I am ready for your questions.

Senator **SASSER**. Thank you, General Walker. I think we are going to reserve all questions until the end, but I will assure you that you are going to have this Senator's support. I think that the money we spend for the Reserve and the National Guard is the best defense dollar we spend.

[The statement follows:]

PREPARED STATEMENT OF MAJ. GEN. EMMETT H. WALKER, JR.

DIRECTOR, ARMY NATIONAL GUARD

Mr. Chairman and members of the Committee: It is a pleasure to appear before this committee. I will be presenting the Military Construction, Army National Guard budget requirements.

The funding in fiscal year 1982 will be used to provide for those facilities which will make the greatest contribution to readiness and which are essential for proper development, training, operation, support, and maintenance of the Army National Guard to meet mobilization requirements. The Army National Guard Military Construction requirements were developed by identifying the specific missions of our forces and then determining the facilities necessary to support those missions.

The fiscal year 1982 budget request of $47 million provides $41.5 million for major construction and $5.5 million for minor construction, planning, and design. This program will support the mission requirements of 29 States and the Virgin Islands with the construction of 23 armories and 36 nonarmory facilities. The nonarmory facilities, 15 training facilities, 1 logistical support facility, 1 motor vehicle storage building, 1 U.S. Property and Fiscal Officer Office, and 3 miscellaneous projects. All of these projects are urgently needed to support training and unit readiness.

While it is true that the fiscal year 1982 budget request represents an 11 percent increase over the fiscal year 1981 program, a large part of this increase will be required to offset escalation of construction costs due to inflation. The annual appropriation has fallen short of the amount required to keep pace with inflation by 10 percent in fiscal year 1977, 32 percent in fiscal year 1978, 34 percent in fiscal year 1979, 72 percent in fiscal year 1980, and 55 percent in fiscal year 1981, with the cumulative dollar shortfall during those years reaching a figure of over $226 million. The result of this shortfall, combined with increased requirements for maintenance and storage facilities and the need for advanced training, is that the MCARNG construction backlog will stand at a figure of approximately $740 million at the end of fiscal year 1981.

The low level of appropriations during the past several years, and in particular fiscal year 1980 and fiscal year 1981, has had a detrimental effect on the ability of the Army National Guard to attain and maintain unit readiness, and is not consistent with the fact that the Army National Guard proportion of the total Army strength grew from 27.2 percent in 1977 to 28.3 percent in 1980.

80 percent of the available MCARNG funds were obligated during fiscal year 1980. $5 million was carried-over into fiscal year 1981. The current fiscal year 1981 appropriation of $42.2 million provides an obligation target of $44.8 million. We expect to reach this target leaving us with a carry-over of $2.4 in fiscal year 1982. We plan to obligate $47 million in fiscal year 1982 and again we will carry over $2.4. Our obligation figures include minor construction and planning funds.

Mr. Chairman, this concludes my prepared statement on behalf of the Army National Guard. If there are any questions, I will be pleased to furnish the information that you require.

BIOGRAPHICAL SKETCH

Major General Walker enlisted in the United States Army in December 1942, attended Officer Candidate School at Ft Benning, GA, and was commissioned a second lieutenant, Infantry, on 23 May 1944. He served with the 95th Infantry Division in the European Theater during World War II and was separated from active service in March 1946.

On 22 May 1949, General Walker joined the Mississippi Army National Guard as a first lieutenant. He was promoted to captain on 3 January 1951.

General Walker was ordered to active duty on 16 January 1951 with the 31st Infanty (Dixie) Division during the Korean Conflict and served with the Far East Command Headquarters in Japan until 25 September 1952.

General Walker returned to the Mississippi Army National Guard where he served in several positions. Promotion to major came in February 1955. In December 1961, General Walker was promoted to lieutenant colonel and took command of the 4th Howitzer Battalion, 114th Field Artillery. He became commander of the 631st Artillery Group and was promoted to colonel on 19 February 1968. Appointed Assistant Adjutant General for the Mississippi Army National Guard on 16 February 1972, he was federally recognized as brigadier general, Adjutants General Corps, on 4 August 1972.

General Walker was appointed brigadier general, Army of the United States, and ordered to active duty as Speical Assistant of the Director, Army National Guard, National Guard Bureau, on 15 October 1976. He was reassigned as Deputy Director, Army National Guard, National Guard Bureau, and federally recognized as brigadier general of the line effective 17 November 1976.

He was appointed as the Director of the Army National Guard on 16 August 1978 and promoted to the grade of major general on 22 August 1978.

General Walker has been awarded the Silver Star, Legion of Merit, Bronze Star with V Device, Meritorious Service Medal, Army Commendation Medal, Good Conduct Medal, and numerous other decorations.

AIR NATIONAL GUARD

STATEMENT OF MAJ. GEN. JOHN B. CONAWAY, USAF, DIRECTOR OF THE AIR NATIONAL GUARD

ACCOMPANIED BY:

LT. COL. ALLEN E. IMMEL, USAF, CHIEF, PLANS AND PROGRAMS BRANCH, CIVIL ENGINEERING DIVISION

MAJ. GEORGE R. GALLIMORE, USAF, AIR COMPTROLLER DIVISION

BUDGET REQUEST

Senator SASSER. General Conaway.

General CONAWAY. I am General Conaway, the Director of the Air National Guard.

Mr. Chairman, I am honored to appear before you with the Air National Guard military construction request for fiscal year 1982. With your concurrence, I have a formal statement for the record and a shortened version to present.

The projects in our total fiscal year 1982 request for the Air National Guard will satisfy the majority of our most urgent facility requirements. Each project is essential to the continuing modernization of the Air National Guard as an integral part of the total Air Force.

COMBAT CAPABILITY

As you may be aware, the Air National Guard continues to provide a significant share of the Air Force total combat capability.

In fiscal year 1982 some 65 percent of the U.S. Air Force air defense capability, 57 percent of the tactical reconnaissance, 30 percent of the tactical airlift, 27 percent of the tactical fighter capability and 17 percent of strategic refueling aircraft will be provided by the Air National Guard.

We will continue as full partners with other components in JCS and Air Force training exercises. Our increased overseas deployments, which temporarily relocate entire flying units with their group support personnel, civil engineering and communications flights overseas has provided a realistic training environment that truly tests and demonstrates the high level of combat readiness of Air National Guard units.

I am proud to say today, sir, that the Air National Guard is a prime early-go organization with all of our units deployable with 24 to 72 hours, and ready to go. We have six major flying units that are rapid reactor units. We also are major participants in the Rapid Deployment Joint Task Force [RDJTF] with five major flying units and five combat communications units assigned directly to the RDJTF.

In fact, last November, in the first major, outside the United States, RDJTF exercise, BRIGHT-STAR 1981, the Air National

Guard was the first major player of the Guard or Reserve components. Our New Mexico Air National Guard flew eight A-7's nonstop from the east coast of the United States to Cairo, Egypt, in 11 hours and 30 minutes, landed, and 1 hour and 40 minutes later those aircraft were airborne on an exercise mission.

Also, the combat communications for that exercise was provided by the Air National Guard units from Alabama, South Carolina, and Knoxville, Tenn. They did a superb job.

So the facilities that meet present-day needs of a highly sophisticated and mobile organization like ours are essential to our continued combat readiness and success in our total force role.

The facilities necessary for conversion to new weapon systems have for the most part been made available through our annual construction programs. However, the total facility requirement for operations, training, mobilization, maintenance, and support remains deficient with a portion of the Air National Guard still functioning in inadequate or obsolete facilities.

FACILITY REQUIREMENTS

Long-standing facility requirements make up a large part of the Air National Guard construction backlog. Last year at this time we projected a construction backlog of $401 million at the end of fiscal year 1981. That figure has now escalated unfortunately to $562 million. This increase can be attributed to inflation and additional facility requirements in support of recently identified conversions.

This backlog, after execution of the fiscal year 1982 construction program, will be reduced to $490 million without considering the impact of inflation or new projects. Now, that sounds bleak, Mr. Chairman, but this is not meant to indicate no progress or support from this committee. The number of projects backlogged has actually been reduced by over 20 projects and now stands at 545.

FISCAL YEAR 1980 PROGRAM

The fiscal year 1980 program is progressing well. Of our authorization of $29.5 million, $23 million was obligated as of March 15 of this year. Due to a favorable bidding climate during 1980, $3.2 million was saved. This has been used via approved reprograming within the flexibility allowed by the lump sum authorization and appropriation to accelerate accomplishment of three other urgently needed projects.

The first and second increments of our 1981 program have been submitted for congressional clearance with a combined value of $56 million or 76 percent of our program. No problems are anticipated with the remaining items and the projected obligation rate for 1981 is at least 85 percent by September 30 of this year. The fiscal year 1982 program obligation rate, this program before you today, is projected to reach in excess of 90 percent by September 30, 1982.

FISCAL YEAR 1982 PROGRAM

Our appropriation request for fiscal year 1982 is $89.1 million which includes $78.7 million for major construction, $5 million for minor construction and $5.4 million for planning and design. This program is composed of 51 projects at 34 locations in 29 States in direct support of modernization, weapon conversions, and some unit relocations.

Sir, in closing I might add that the facilities that the Air National Guard has to operate in have been greatly improved over the years even though we still have a backlog. Our recruiting is going very well and our retention is running over 60 percent overall.

I credit a lot of that to the facilities that we do have to operate in. Having good facilities so that our guards men and women can come out from civilian life and train through the week or on weekends, facilities that are at least equal to or better than what they have in civilian life, plays a major part in our retaining three particular people.

Mr. Chairman, this concludes my statement on behalf of the Air National Guard fiscal year 1982 military construction request. Your continuing interest and support in helping to satisfy our growing needs is sincerely appreciated.

Senator Sasser. Thank you, General Conaway.

I just want to say that the Air National Guard in my judgment does a terrific job. I have flown on aircraft that the Tennessee Air National Guard maintains and they take old wornout airplanes they get from the Regular Air Force and rebuild them and by the time they get through with them they are better than I think some of the aircraft that the Regular Air Force is flying.

REENGINING OF KC-135 AIRCRAFT

I hope that we can persuade the Air Force in the not too distant future to put some new engines on those KC-135's in Knoxville. The fellows that fly them would appreciate that and the people that live around that airport would appreciate it also.

General Conaway. They sure would.

Senator Sasser. I think we would certainly increase the capability of that unit dramatically with these new engines which I saw demonstrated on KC-135's. They are in Knoxville by Boeing that brought a KC-135 in with a new engine and it makes a remarkable and dramatic difference.

As a matter of fact, those 135's at Knoxville cannot take off with a full fuel load as you may or may not know because they don't have the power to get off the ground with a full fuel load with the short runway there. So if we could reengine those aircraft there it would add greatly I think to their emergency capability.

General Conaway. It certainly would, sir. We support that fully and appreciate your support.

Senator Sasser. Well, I will support you and we will try to get the money to do it. You just tell me how to do it.

PREPARED STATEMENT

We will insert your prepared statement in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF MAJ. GEN. JOHN B. CONAWAY

DIRECTOR

AIR NATIONAL GUARD

OVERVIEW

Introduction:

Mr. Chairman and members of the committee, I am pleased and honored to appear before this committee with the Air National Guard Military Construction Request for FY 1982. The projects in this request will satisfy the majority of the Air National Guard's most urgent facility requirements for this coming year. Each project is essential to the continuing modernization of the Air National Guard as an integral part of the Total Force.

Combat Readiness:

The Air National Guard is very proud of its combat readiness, our genuine role in today's Total Air Force, and the fact that, every day, thousands of our members are participating in demanding missions such as air defense, tactical fighter, tactical reconnaissance, strategic refueling, airlift, and rescue. Combat readiness and ability to perform these missions was again demonstrated during Operational Readiness Inspections of our units in FY 1980. For a majority of our units, these inspections were conducted following a realistic scenario at a deployed location. Since the inception of this type of scenario in 1976, covering every aspect of the wartime mission, we have increased our readiness substantially.

The Air National Guard continues to provide a significant share of the Air Force total combat capability. In FY 1982, some 65 percent of the air defense interceptor capability; 57 percent of the tactical reconnaissance forces; 30 percent of the tactical airlift; 27 percent of the tactical fighter capability; 17 percent of the aerial refueling; and 36 percent of the Tactical Air Control System will be in the Air National Guard. We continue as full partners with other components in JCS and USAF training exercises. Twenty-one percent of the Air Force personnel participating in JCS exercises in FY 1980 were from Air National Guard units.

Participation in these exercises, which necessitated temporarily moving flying units, support personnel, civil engineering flights, and communication units to overseas locations, has provided a realistic environment to truly test and demonstrate the high level of combat readiness of Air National Guard units.

CURRENT STATUS

Facilities:

Facilities that meet present day needs of a highly sophisticated and mobile Air Force are essential to continued Air National Guard combat readiness and success in our Total Force role. The facilities necessary for conversion to new weapon systems, for the most part, have been made available through your past support of our annual Military Construction Programs. However, the Air National Guard physical plant, which provides for operations, training, mobilization, maintenance, and support remains deficient. A portion of the Air National Guard is still functioning in inadequate or obsolete facilities. If facility deficiencies remain at the current level, reduced weapon system reliability, impaired recruiting and retention of personnel, and restrictions in training will occur, severely impacting the ability of the Air National Guard to sustain its current high combat readiness level.

Backlog:

Longstanding facility requirements make up much of the Air National Guard construction backlog. The estimated end FY 1981 construction backlog of $401 million reported last year has grown to $562 million. This significant increase is due to an unusually large addition of facility needs totaling $103 million, plus growth due to inflation. These new requirements resulted from a sharp rise in aircraft conversion and unit relocation projects coupled with more accurate identification and reporting of facility deficiencies. The backlog, after execution of the FY 1982 construction items, will be $490 million without considering the impact of estimates for inflation or new projects.

An analysis of the Air National Guard construction backlog and its growth contains some significant facts. The backlog has grown from $330 million in FY 1979 to $490 million during FY 1982. Using the present 5-year program budget figures and 10 percent annual inflation, the $490 million backlog for end-FY 1982 will grow to an estimated $670 million in FY 1987. To hold the backlog constant at $490 million through FY 1987, the annual Military Construction Program Appropriation will have to grow from $89.1 million in FY 1982 to $122.9 million in FY 1987. If the dollar value of this backlog is to be reduced the annual program must be increased even more.

Progress on Prior Year Programs:

The FY 1979 and FY 1980 programs are progressing very well. For FY 1979, $37.7 million, or 96 percent of the $39.4 million authorization, was under construction as of 15 March 1981. Of the FY 1980 authorization of $29.5 million, 77 percent or $22.7 million, was obligated as of 15 March 1981. Due to a favorable bidding climate during FY

1980, $3.2 million was saved. This has been used, via approved reprograming within the flexibility allowed by lump sum authorization and appropriation procedures, to accelerate accomplishment of three urgently required projects. The first and second increments of the FY 1981 program have been submitted for congressional clearance with a combined value of $56 million, or about 76 percent of the program. A third increment is being processed for clearance at this time. The projected obligation rate for the FY 1981 program is 85 percent by 30 September 1981. The FY 1982 program obligation rate is projected to reach 90 percent by 30 September 1982. This improvement in obligation can be attributed to the emphasis placed by congressional committees on early project design.

MILITARY CONSTRUCTION APPROPRIATION

FY 1982 Request:

As an active partner in the Total Air Force, our facility requirements have increased each year with the growth of the Air National Guard missions. Realistic annual funding of the Air National Guard Military Construction Program request is necessary to satisfy the increase in facility needs to meet this mission growth.

The Air National Guard Appropriation Request for the FY 1982 Military Construction Program is $89.1 million. It includes $78.7 million for major construction, $5 million for minor construction, and $5.4 million for planning and design. The program is composed of 51 projects at 34 locations in 29 States and provides direct support of weapon system conversions, equipment modernizations, and unit relocations. Each project incorporates energy saving designs, equipment, and materials.

Continuation of Past Procedures:

The Air National Guard has been able to respond favorably and rapidly to vital weapon system modifications and conversions, including unexpected program revisions, solely through your interest and support of our Military Construction Program and the flexibility you have permitted us through lump sum authorization and appropriation. We strongly desire to preserve this privilege of being able to satisfy urgent, unanticipated requirements. Only absolutely essential changes in the Air National Guard program will be requested.

With costs continuing to rise, we find it increasingly beneficial to use the services of the United States Property and Fiscal Officer in each State to provide project design, procurement, and construction management of Air National Guard projects. An integral but detached part of the National Guard Bureau, these officers in each State provide highly efficient and cost effective support that is consistently responsive to our needs. We will continue to use the services of the Army Corps of Engineers or the Navy

Facilities Engineering Command in those instances where the scope of a requirement or its proximity to one of these agencies dictates. With your concurrence, we will follow these successful procedures again this year.

All projects in this request except those for Marana Air Park, Arizona, are at least 35 percent designed. The designs for the Marana projects have been held in abeyance pending the Secretary of the Air Force review of a different and more suitable location. If we proceed now we can complete our design by March 1982 and award construction contracts prior to fiscal year end. By retaining the Marana construction in the FY 1982 program, we will be able to satisfy the urgent need to move the training overflights away from downtown Tucson, Arizona, on a more timely basis.

SUMMARY

Committee Support:

This committee has provided military construction that has been highly responsive to Air National Guard requirements. Your recognition and support of these requirements, and the continued privilege of the lump sum system of authorization and appropriation, have substantially assisted us in rapidly achieving unit combat readiness, and in maintaining the high state of overall readiness which has become the hallmark of the Air National Guard.

The FY 1982 Military Construction Appropriation Request of $89.1 million will satisfy the majority of our FY 1982 requirements. Approval of this amount will very nearly hold the backlog constant for this fiscal year, and a continuation of this level is urgently needed to meet Air National Guard annual construction requirements.

Conclusion:

Mr. Chairman, this concludes my statement in behalf of the Air National Guard fiscal year 1982 Military Construction Request. This committee's continuing interest and support to satisfy our growing needs is sincerely appreciated.

BIOGRAPHICAL SKETCH

Major General John B. Conaway was born in Henderson, Kentucky, on 23 August 1934. After graduating from Bosse High School, Evansville, Indiana in 1952, he attended the University of Evansville and received a Bachelor of Science degree in Business Administration in 1956. He continued graduate work at the University of Louisville School of Business and the University of Kentucky School of Business. In 1975 he received a Masters degree in Management and Human Relations at Webster College, ST. Louis, Missouri.

While attending the University of Evansville, General Conaway entered the ROTC Cadet Program and upon graduation was commissioned a second lieutenant in the Air Force on 4 June 1956. Upon completion of undergraduate pilot training at Greenville AFB, Mississippi in 1957, he then attended Advanced Combat Crew Training at Perrin AFB, Texas, graduating in 1958. He was then assigned as a F-102 Fighter Interceptor Pilot in the Air Defense Command at K.I. Sawyer AFB and Kincheloe AFB, Michigan.

In 1960 General Conaway joined the West Virginia Air National Guard as a SA-16 aircraft pilot performing a special forces operations mission. In 1962 he transferred to the Kentucky Air National Guard as a RB-57 pilot and in 1965 became an air technician flying training instructor in operations. He was called to active duty with the Kentucky Air National Guard in 1968 and served in Alaska, Panama, Japan, and Korea. Upon deactivation in 1969, he returned to the Kentucky Air National Guard as Operations Officer. During the next four years, General Conaway completed USAF Commanders Safety School, 1969; Air Command and Staff College, 1971; Air University Commanders School, 1972; and Industrial College of the Armed Forces, 1973.

On 22 October 1972 General Conaway was appointed Air Commander of the Kentucky Air National Guard. On 8 February 1975 he was promoted to colonel. He served as the Vice Commander of the 123d Tactical Reconnaissance Wing which has units in Kentucky, Arkansas, Nevada, and Idaho. Previous assignments include, Wing Director of Operations, Wing Chief of Safety, Wing Chief of Standardization, Group Commander, Group Deputy Commander for Operations, and Squadron Operations Officer. He is a Command Pilot with 4,900 hours of flight time in the T-34, T-28, T-33, C-47, C-54, F-86, F-102, RB-57, RF-101, and RF-4C aircraft. He has been a member of the Kentucky Air National Guard for 17 years and an Air Technician for 12 years. General Conaway has been a member of the National Guard Bureau's Air Commanders Manpower Committee that reviews organizational and manpower matters for the Director, Air National Guard. He has previously served on the Dubois Committee at the National Guard Bureau that studied the military-technician organizational structure. He has also served on the United States Air Force Colonels Promotion Board for Air National Guard officers.

On 29 March 1977 he was promoted to brigadier general and on 1 April 1977 assumed his current assignment as Deputy Director, Air National Guard. General Conaway has been selected for promotion to Major General, effective 1 April 1981, and will assume assignment as the Director, Air National Guard, on that date. General Conaway has 24 years of military service including over 10 years on active duty in Air Defense Command, Tactical Air Command, Pacific Air Force, and the National Guard Bureau.

His awards and decorations include the Legion of Merit, Armed Forces Meritorious Service Medal, Air Force Commendation Medal, Armed Forces Expeditionary Medal, Combat Readiness Medal, Armed Forces Reserve Medal, National Defense Service Medal, and Kentucky Distinguished Service Medal.

ARMY RESERVE

STATEMENT OF MAJ. GEN. WILLIAM R. BERKMAN, USA, CHIEF, ARMY RESERVE

ACCOMPANIED BY LT. COL. DONALD R. KELLEY, USA, ACTING CHIEF, CONSTRUCTION MANAGEMENT OFFICE

FISCAL YEAR 1982 PROGRAM

Senator **SASSER**. General Berkman, we would like to hear from you next.

General **BERKMAN**. Thank you, Mr. Chairman.

I am Maj. Gen. Bill Berkman. I am Chief of the Army Reserve. Indeed, it is a pleasure for me to appear before this committee to present the 1982 Army Reserve military construction program.

I have a formal statement that I would, with your permission, like to submit for the record and comment briefly on the Army Reserve program.

The Army Reserve is indeed an essential element of the total Army. It consists of almost 200,000 men and women in troop program units and an almost equal number in the Individual Ready Reserve.

Army Reserve units constitute 33 percent of the Army's tactical support increment and 25 percent of the general support forces. A substantial number of Army Reserve units are high priority, early deploying units.

The growth of the Army Reserve troop program unit strength has continued through 1981. It is now up to almost over 225,000 since 1978, although there is still a shortage well short of our peacetime goal of $264,000. The current end strength projected for fiscal year 1981 is 216,000 individuals.

The construction program responds to most critical needs of these units. Priority is given to early deploying units, for facilities for training storage and maintaining equipment in a home locality as well as for facilities necessary for annual training sites where not otherwise provided.

CONSTRUCTION BACKLOG

The total U.S. Army Reserve construction backlog exceeds $848 million and continues to grow at about $32 million per year in terms of newly identified validated requirements.

The appropriation requested for 1982 is $39 million and provides major construction for 20 of our highest priority facility requirements as well as minor construction and planning and design.

The Army Reserve appreciates the support this committee has provided in the past and we look forward to continued mutual efforts to insure that the Army Reserve Forces have facilities necessary to achieve and maintain their readiness goals.

I, too, will be prepared to respond to your questions, Mr. Chairman.

PREPARED STATEMENT

Senator **Sasser**. Thank you, General Berkman. Your prepared statement will appear at this point in the record.

[The statement follows:]

PREPARED STATEMENT OF MAJ. GEN. WILLIAM R. BERKMAN
CHIEF
U.S. ARMY RESERVE

Mr. Chairman and Members of the Committee:

I am honored to once again present the Military Construction, Army Reserve Appropriation request. I also welcome this opportunity on behalf of all members of the Army Reserve to express my appreciation for the support this committee has provided our construction program over the past year.

A ready, capable Army Reserve is required as part of the Total Army to accomplish its peacetime mission of deterrence by being ready to perform our wartime missions. The Army Reserve consists of over 200,000 men and women in troop program units and an almost equal number in the Individual Ready Reserve. Army Reserve units constitute 33 percent of the Army's tactical support increment and 25 percent of the special theater forces and general support forces increment. Army Reserve units are also included in the Army's portion of the Rapid Deployment Force and minimum essential/rapid reinforcement forces. To meet contingency requirements, these forces must be at a high state of readiness with sufficient strength, well trained and equipped.

The growth in Army Reserve troop program unit end strength in FY 80 continued the trend started in FY 79. At the end of FY 80, the end strength was 202,627—an increase of more than 15,000 over the past two years. The total number of enlistments in the Army Reserve in [illegible] 80 exceeded those of each of the previous four years. Also, a trend which be[illegible] Y 79 of recruiting more individuals without prior service continued. The success reflected in the end strength figures is also attributable to the retention efforts throughout the Army Reserve chain of command. This structure must be supported with adequate facilities.

Training continues to be the most important responsibility of Reserve commanders at all levels. With the exception of two weeks annual active duty, this training and equipment maintenance take place at the individual's home facility--the Reserve Center. Due to the decentralized nature of the Reserve Components, our construction requirements differ from those of the Active forces. We require a large number of much smaller and more specialized facilities located in the demographic center of the civilian community in which our members live. In addition to providing a base for training, these centers contribute to our ability to attract and retain reservists.

Last year, a backlog of $800 million to replace obsolete or deteriorated facilities was reported. Today, the total backlog is $848 million. However, at this time, not all of these facility requirements meet the criteria that would allow us to identify them for funding. It would require $697 million in FY 82 dollars to design and construct our validated requirements. This includes all projects in the funded portion of the five-year plan plus that part of the backlog which meets the construction criteria of mission and strength. The increase in the total backlog is attributed to the rise in the cost of construction and to additional projects which have been identified since last year. The Army Reserve FY 82 construction program is structured to provide our most needed facilities within the available funding.

The appropriation requested for Fiscal Year 1982 is $39 million. This is $4.2 million less than that appropriated by the Congress for Fiscal Year 1981. The total request will provide $30.4 million for major construction, $3.8 million for minor construction and $4.8 million for planning and design work.

We are proposing the construction of 20 major projects in 16 states. Of these, two are to be constructed jointly with the National Guard and one with the Navy Reserve. Specific projects include two new centers, expansion or alteration of fourteen facilities and improvements to one annual training site. These were selected and prioritized based on the specific void to be filled, the mission of the unit, mobilization schedules, and the overall contribution to the readiness of the USAR. All projects are at a state of design that will allow contract award early in the fiscal year.

The appropriation being requested is only 6 percent of the total hard needs that have been identified as construction requirements. With an appropriation request at this level, it becomes absolutely necessary that the program be kept on track. With your continued assistance, this will be accomplished.

Mr. Chairman, this concludes my statement.

BIOGRAPHICAL SKETCH

Major General William R. Berkman
CHIEF, ARMY RESERVE

Major General William R. Berkman is currently serving as the Chief, Army Reserve, in a four-year statutory tour of active duty which commenced on 1 June 1979.

General Berkman was commissioned a Second Lieutenant in the US Army Reserve (USAR) from ROTC at the University of California, Berkeley, in June 1950. He served on active duty from 1952 to 1954. After completion of Quartermaster School Basic Course at Fort Lee, Virginia, in August 1952, General Berkman was assigned as Quartermaster Supply Officer for the 369th Engineer Amphibious Support Regiment, Fort Worden, Washington. From July 1953 to January 1954 he served in Korea as an advisor to the Republic of Korea Army with the Korean Military Advisory Group.

After completing his extended active duty in February 1954, General Berkman's Army Reserve assignments have included service in various positions in the 445th Civil Affairs Company from 1955 to 1965 and in the 351st Civil Affairs Command from 1965 to 1974. He was Deputy Commander of the 351st Civil Affairs Command, Mountain View, California from August 1974 to May 1975 and served as its Commander from June 1975 until his present assignment. The 351st Civil Affairs Command is a major Army Reserve Command which includes all Army Reserve civil affairs, psychological operations, special forces, and civil preparedness support units in the Sixth U. S. Army area.

As a civilian, General Berkman majored in economics at the University of California, Berkeley, and received an AB degree in 1950. He also attended the University of California School of Law (Boalt Hall) and received his JD law degree from that institution in 1957. Following law school he served as law clerk to Judge James Alger Fee of the U. S. Court of Appeals for the Ninth Circuit for one year before becoming associated in 1958 with the San Francisco law firm of Morrison & Foerster. He became a member of that firm in 1967. He is a graduate of the Army War College (non-resident course) and the U. S. Army Command and General Staff College.

The General and his wife, Betty Ann, formerly resided in Sausalito, California. He is a member of the State Bar of California, the Federal Bar Association, the American Bar Association, and has been admitted to the District of Columbia Court of Appeals. He is a member of the Reserve Officers Association of the United States, the Senior Army Reserve Commanders Association, and the Association of the United States Army. His decorations include the Meritorious Service Medal and the Army Commendation Medal.

NAVAL AND MARINE CORPS RESERVE

STATEMENT OF REAR ADM. C. A. E. JOHNSON, JR., USNR, DEPUTY DIRECTOR, NAVAL RESERVE

ACCOMPANIED BY:

CMDR. ANTHONY R. GIANCOLA, CEC, USN, HEAD, FACILITIES BRANCH, OFFICE DIRECTOR OF NAVAL RESERVE SERVE

MAJ. CHARLES M. MILL, USMC, FACILITIES PLANNING, PROGRAMING SECTION, OFFICE, DEPUTY CHIEF OF STAFF, INSTALLATIONS AND LOGISTICS STAFF, COMMANDANT OF THE MARINE CORPS

UPGRADING OF OUTDATED FACILITIES

Senator SASSER. Next we will hear from Admiral Johnson.

Admiral JOHNSON. Thank you, Mr. Chairman.

It is a pleasure to appear before this committee again and to present the military construction requirements of the Naval and Marine Corps Reserve.

With your permission, Mr. Chairman, I have a prepared statement for the record that I would like to briefly summarize.

Again this year we are enjoying full manning in the Naval and Marine Corps Reserve. To support and train these Reserve personnel for mobilization we are making maximum use of our existing facilities.

Unfortunately, our physical plant is getting tired and worn out. Many of our structures were built during the 1940's and early 1950's. Four of our six Naval Air Stations were constructed during World War II and show signs of block obsolescence.

Our typical center is also a 1940's structure of two or three quonset huts connected by a headhouse structure. In total, about 40 percent of our facilities are substandard or have deteriorated beyond economical rehabilitation, maintenance and repair.

With the Naval and Marine Corps Reserve continuing to receive new and improved equipment, new challenges and missions, our facility requirements have increased. It is in this setting that we submit the military construction, Naval and Marine Corps Reserve program for fiscal year 1982.

OBJECTIVES OF FISCAL 1982 PROGRAM

The objective of our military construction program, in concert with our facilities maintenance and repair program, is to provide adequate operational, training, administrative, and personnel support facilities to properly train our Reserve personnel to be mobilization ready.

The Naval and Marine Corps Reserve military construction appropriation request totals $26.4 million, which is $6.6 million less than appropriated this year. This year's appropriation request includes $600,000 for the energy conservation investment program,

$500,000 is requested to fund minor construction projects costing less than $175,000 each and $2 million is requested for project planning and design.

The present era of double digit inflation has had a negative impact on the military construction program. It has seriously reduced the buying power of our construction dollar and made it difficult to prepare annual budgets. We have experienced problems maintaining project estimates, have received high bids, have had minor construction projects escalate to major projects and have had to defer and resubmit major projects from one program to the next.

As you know, Mr. Chairman, the Naval and Marine Corps Reserve share a common construction program. Because of the savings involved we are also endeavoring to improve our opportunities for joint construction with our Guard and Reserve counterparts.

FARGO, N. DAK., PROJECT

One such example is this year's Reserve Center addition at Fargo, N. Dak., which is a joint project with the Army Reserve.

It is expected that in fiscal year 1984 one-fourth of our Naval and Marine Corps Reserve construction dollars for that year will be devoted to joint construction projects with the other Guard and Reserve Forces. This has been made possible because the entire Guard and Reserve construction programing community has placed more emphasis on joint intermediate and long-range planning.

The backlog of construction deficiencies for the Naval and Marine Corps Reserve facilities totals $270 million compared with $251 million last year. This backlog represents necessary construction to support new missions, equipment, and to replace deteriorated and inadequate facilities.

The projects contained in our program will contribute substantially to the improved readiness and responsiveness of the Naval and Marine Corps Reserve.

We appreciate the past support of this committee and earnestly seek your approval of the required projects that comprise this program.

That concludes my statement, Mr. Chairman. I will be happy to answer any questions and to provide any additional information that may be desired

PREPARED STATEMENT

Senator SASSER. Thank you, Admiral. We will return later for the questions. Your prepared statement will be inserted in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF REAR ADM. C.A.E. JOHNSON, JR.

DEPUTY DIRECTOR

U.S. NAVAL RESERVE

Mr Chairman and Members of the Committee:

It is a pleasure to appear before this Committee again and to present the Military Construction requirements of the Naval and Marine Corps Reserve.

Again this year, we are enjoying full manning in the Naval and Marine Corps Reserve. To support and train these Reserve personnel for mobilization, we are making maximum use of our existing facilities. Unfortunately, our physical plant is getting tired and worn out. Many of our structures were built during the 40's and early 50's. Four of our six Naval Air Stations were constructed during World War II and show signs of block obsolescence. Our typical center is also a 1940's structure of two or three quonset huts connected by a headhouse structure. In total, approximately 40% of our facilties are substandard or have deteriorated beyond economic rehabilitation, maintenance and repair.

With the Naval and Marine Corps Reserve continuing to receive new and improved equipment and new challenges and missions, our facility requirements have increased. It is in this setting that we submit the Military Construction, Naval Reserve Program for Fiscal Year 1982.

The objective of our Military Construction program, in concert with our Facilities Maintenance and Repair Program, is to provide adequate operational, training, administrative and personnel support facilities to properly train our Reserve personnel to be "Mobilization Ready." Our priority is on readiness.

The Naval and Marine Corps Reserve Military Construction Appropriation Request totals $26.4 million including $0.6 million for the Energy Conservation Investment Program. One-half million is requested to fund minor construction projects costing less that $175,000 each and $2 million is requested for project planning and design. The energy project will reduce window area and decrease heat transfer flow in numerous buildings at one our Naval Air Reserve facilities. We expect a return of investment for this project in 5.3 years.

The Naval and Marine Corps Air Reserve portion of our Fiscal Year 1982 Program includes: (a) two aircraft maintenance hangars to eliminate hangar space deficiencies at two of our Naval Air Stations, (b) an avionics facility to eliminate severe overcrowding and splitting of operations, (c) unaccompanied enlisted personnel housing for 133 E-1 to E-9 personnel and (d) a project to extend and replace part of a badly deteriorated water main system at one of our Naval Air Stations.

The projects for the Naval Surface and Marine Corps Ground Reserve forces include: (a) three projects to replace existing inadequate and badly deteriorated Naval and Marine Corps Reserve training buildings with structures that are properly configured and equipped to accommodate training that is applicable to modern Naval and Marine Corps operations and (b) one project to enlarge and modernize a Reserve Training Center which will also provide space to accommodate one of our Naval Reserve Readiness Commands which presently is in an undersized leased facility.

Again this year you will be reviewing the project for a new Naval and Marine Corps Reserve Center at Naval Air Station, Miramar, in the San Diego, California, area. As noted in our statement of last year, the original project site was found to have contained an endangered species of plant with the popular name "Mesa Mint". Since that time, an environmental impact statement was prepared and review by the U. S. Fish and Wildlife Service. An alternate site, approximately one half mile from the original site, was finally approved. Because the site is different, the project had to be redesigned and will now be ready for award early Fiscal Year 1982. A year of cost escalation, greater site development costs and the impact of inflation have resulted in a significantly higher project estimate.

The present era of double digit inflation has had a negative impact on the Military Construction program. It has seriously reduced the buying power of our construction dollar and made it difficult to prepare annual budgets. We have experienced problems maintaining accurate project estimates, have received high bids, have had minor construction projects escalate to major projects and have had to defer and resubmit major projects from one program year to the next.

As you know, the Naval and Marine Corps Reserve share a common construction program. Because of the savings involved, we are also endeavoring to improve our opportunities for joint construction with our Guard and Reserve counterparts. One such example is this year's Reserve Center addition at Fargo, North Dakota, which is a joint project with the Army Reserve. It is expected that in Fiscal Year 1984, one fourth of our Naval and Marine Corps Reserve construction dollar for that year will be devoted to joint construction projects with the other Guard and Reserve forces. This has been made possible because the entire Guard and Reserve Construction Programming community has placed more emphasis on joint intermediate and long range planning.

The backlog of construction deficiencies for the Naval and Marine Corps Reserve facilities totals $270 million compared with $251 million last year. This backlog represents necessary construction to support new missions, equipment and to replace deteriorated and inadequate facilities.

The justification data books which have been furnished contain detailed project descriptions and supporting information. All proposed projects will improve training, operational, maintenance or personnel support facilities actively utilized by the Naval and Marine Corps Reserves. The projects contained in our program will contribute substantially to the improved readiness and responsiveness of the Naval and Marine Corps Reserve. We appreciate the past support of this committee and earnestly seek your approval of the required projects that comprise this program.

This concludes my statement, Mr. Chairman. I will be happy to answer any questions and to provide any additional information that may be desired.

BIOGRAPHICAL SKETCH

Rear Admiral Johnson, a native of Minneapolis, Minnesota, enlisted in the Naval Air Reserve in 1948 and was appointed to the U. S. Naval Academy the following year.

In June 1953, Rear Admiral Johnson was graduated from the Naval Academy and remained there for a brief tour in the Marine Engineering Department. Following completion of flight training, he was designated a naval aviator in 1954. His first assignment was with Air Antisubmarine Warfare Squadron (VS) 30, operating aboard the aircraft carriers USS VALLEY FORGE, USS ANTIETAM, and USS TARAWA. During 1957-59, Rear Admiral Johnson served as an instructor at Fleet Airborne Electronics Training Unit, Atlantic. In June 1959, he was assigned to the Engineering Department Faculty at the U. S. Naval Academy. In 1962, Rear Admiral Johnson affiliated with the Naval Air Reserve and served in three VS squadrons. He returned to active duty as a Training and Administration of Reserve (TAR) officer in 1968, and after completing a special project for the Deputy Chief of Naval Operations (Air), assumed the duties of VS Program Manager at the Naval Air Reserve Unit, Washington, D. C. During the ensuing seven years, Rear Admiral Johnson's assignments included three important tours in

Washington. He served for two years on the staff of Deputy Chief of Naval Operations (Air Warfare) as the Anti-submarine Warfare Readiness Evaluator and Facilities Coordinator for Naval Reserve units. During 1974-76, he served as Director of Naval Air Reserve, Policy and Programs in the Office of the Chief of Naval Operations. He served as Assistant for Legislative Affairs and Special Projects on the staff of Deputy Assistant Secretary of Defense (Reserve Affairs), prior to assuming command of Naval Air Station, New Orleans in August 1977. Following a short period of temporary duty on the Chief of Naval Reserve staff, Rear Admiral Johnson reported to the Chief of Naval Operations as Deputy Director of Naval Reserve in September 1979.

Rear Admiral Johnson's decorations include three Meritorious Service Medals and the Navy Commendation Medal.

He is married to the former Elizabeth Fenstad of Grand Marais, Minnesota. They have three daughters: Carey Lea, Diane Elizabeth, and Leslie Anne.

AIR FORCE RESERVE

STATEMENT OF BRIG. GEN. JAMES C. WAHLEITHNER, USAF, DEPUTY CHIEF, AIR FORCE RESERVE

ACCOMPANIED BY LT. COL. JOHN B. SEAMON, USAF, STAFF CIVIL ENGINEER

COMBAT READINESS

Senator **SASSER**. General Wahleithner, I believe you are next.

General **WAHLEITHNER**. Thank you, Mr. Chairman.

I have a formal statement and, with your permission, I would like to submit it for the record.

Senator **SASSER**. It will be incorporated in the record.

General **WAHLEITHNER**. Thank you.

I am pleased to tell you that your Air Force Reserve is doing great; 51 of our 53 flying units are combat ready today. Only two units, an A-37 unit converting to A-10's at Barksdale Air Force Base, La., and an F-105 unit converting to F-4's at Tinker Air Force Base, Okla., are not combat ready today because of their conversion.

Today we provide one-half of the air crews to the C-141 and C-5 military airlift command system and 40 percent of the aircraft maintenance personnel to that system.

We have 12 C-130 squadrons that are operating all over the world in Air Force missions and exercises. Our WC-130 unit at Keesler Air Force Base, Miss., flies 70 percent of the hurricane reconnaissance missions flying out of the Continental United States.

RESCUE FORCES

Our rescue forces have done a great job. During last year 116 lives were saved as a result of our rescue forces. In the MGM fire, the CH-3 helicopters that you saw lifting people off of the MGM were Air Force Reserve helicopters. We were in the Mount St. Helens disaster with our H-1 helicopters out of Portland.

We have eight fighter squadrons today flying F-105's, A-37's, F-4's, and A-10's and we will be modernizing our older airlift airplanes with fighter aircraft in the coming years. Today we provide 47 percent of the aerial port capability for the Military Airlift Command and 64 percent of the aero-medical evacuation manpower.

PERSONNEL STRENGTHS

We have exceeded our programed end strength for 3 years in a row now and we expect to exceed our end strength of 60,754 personnel this year.

Our construction program for this year totals $34.7 million. About two-thirds of the projects are going to our converting units and the remainder to update obsolete or outdated facilities.

I am pleased to report that we are doing well with our projects for this fiscal year. We have more projects under construction than we have ever had before at this stage of the fiscal year in the Air Force Reserve.

That completes my statement, Mr. Chairman. I thank you for the opportunity to be here this morning and I will be happy to answer any questions concerning the Air Force Reserve.

PREPARED STATEMENT

Senator SASSER. Thank you, General. Your prepared statement will be placed in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF BRIG. GEN. JAMES C. WAHLEITHNER

DEPUTY CHIEF

AIR FORCE RESERVE

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to appear before this committee to present the Air Force Reserve Military Construction Program for FY 82.

We seek your continued support of the Air Force Reserve MCP to meet our essential facility needs. Over the years, we have made maximum use of existing facilities, often by extensive maintenance, repair and alterations to accommodate our ever expanding role in the total force. As our missions have grown and our aircraft have become more sophisticated, some of these existing facilities cannot economically accommodate the new mission and our requirements can only be met by construction of new facilities.

Our FY 82 MCP request has an increased share going toward new construction to support mission changes. Some sixty-three percent of our construction project dollars in the FY 82 request satisfy mission change requirements. This is a sizeable increase over our FY 80 program which had about one third devoted to mission changes. Half of the FY 81 program was for mission change projects. While these new mission facility requirements are on the rise, our need to replace existing inadequate, deteriorated, and substandard facilities still confronts us. This leads to an overall increase in the total program required to support the Air Force Reserve facility needs.

Our FY 82 MCP request totals $34.7 million in appropriation and $28.5 million in authorization. This total program is a sizeable increase over the $21.6 million FY 81 MCP for the Air Force Reserve. An increase of this magnitude is the minimum program required to support our essential facility needs. Of the authorization requested, $16.8 million is for aircraft and weapon system maintenance facility projects. Another $9 million of the projects are for operational and training facilities.

During FY 81-83, 16 of 35 Air Force Reserve flying units will change equipage. Examples of mission change projects in this request are those required at Barksdale AFB, Louisiana, to support Air Force Reserve acquisition of A-10 fighter aircraft. The Tinker AFB, Oklahoma projects support conversion from F-105 to F-4 aircraft. The Greater Pittsburgh IAP project results from conversion of C-123 to C-130 airlift aircraft.

The program book reflects several projects at Peterson AFB, Colorado, supporting activation of a C-130 airlift unit. These projects were late starters in the FY 82 MCP cycle and design was delayed until field surveys of the beddown could confirm facility sitings. While these projects did not meet the goal of preliminary design by 1 Jan 81, we plan for design completion in the fall of 1981 and construction contract awards shortly thereafter to meet the operational mission requirements.

The program book also contains another late starter project at Barksdale AFB, Louisiana, for a flight simulator. This project requirement evolved when A-10 simulator hardware became available to the Air Force Reserve earlier than originally programmed. Design on the project has started but the preliminary design goal was not met. Again, we expect design completion in the fall of 1981 with construction contract award in early FY 82.

These late starter projects highlight an important point about the overall status of the Air Force Reserve MCP. In the past, these short notice and out-of-cycle project requirements have been accomplished using available uncommitted lump-sum funds. Meeting those past project requirements during a period of accelerated inflation has depleted the uncommitted funds in the Air Force Reserve MCP. We must now identify these projects in the most opportune MCP program cycle.

To further illustrate the depleted funding availability, this year's program contains two projects that were included in prior year programs. The New Orleans NAS, Louisiana, Fuel System Maintenance Dock has been deferred from FY 80; and the Kelly AFB, Texas, Aeromedical Evacuation Training Facility was deferred from FY 79. Both these project deferrals were the result of slow design progress coupled with insufficient funding to proceed with construction. These two projects will be given priority for construction contract award in early FY 82.

Another aspect of the Air Force Reserve MCP showing an increase in fund requirements is minor construction. This year's request is for $3,000,000 which is a significant increase over past years. The increase results not only from inflation, but also to satisfy our increased construction project requirements driven by mission changes. Increased project limits up to $175,000 from $100,000 have also enhanced the opportunity to develop these types of projects for mission changes.

Our design fund request also has increased and is needed basically because there are more projects to design. Another factor is the requirement for projects to be at the preliminary design stage before the program is submitted to Congress. Design on the FY 82 projects is progressing to enable early fiscal year obligation of construction funds. We will also soon begin design on our FY 83 projects to meet the 1 Jan 82 requirement for preliminary design.

We have improved considerably in the past year in getting our projects under construction. Twelve FY 80 projects are under contract with a 95 percent obligation rate for that year's funds. We expect to award one remaining FY 80 project in April 1981 giving a 100 percent obligation. Execution of the FY 81 program is going very well. We had two projects awarded during the first quarter totaling $1.2 million. Another $8.7 million is expected to be awarded during the second quarter and a 100 percent obligation by the end of the fiscal year is forecast.

The Air Force Reserve continues to explore every possible means to satisfy facility needs without new construction. Every opportunity is investigated to use existing facilities through minimum alterations. The need still remains to construct new facilities essential to Air Force Reserve requirements. We also explore every opportunity for joint construction noting there are two joint Air National Guard projects in this submittal. We earnestly seek your support for the increased level of our military construction program request for FY 82.

The Air Force Reserve is fulfilling its peacetime mission and is ready to meet its wartime commitments. All our units which are not in the midst of a conversion are combat ready. We have a motivated, professional force and are acquiring the most modern equipment to meet the mission demands. We need the essential facilities presented in this program request to train, maintain and operate this total force component. These facilities are basic to retaining our people and preserving our high state of morale.

This concludes my statement on behalf of the Air Force Reserve fiscal year 1982 Military Construction Program request. Mr. Chairman, I will be glad to answer any questions the Committee may have.

GENERAL QUESTIONING

Senator **SASSER**. As part of Mr. Bee's prepared statement he refers to an identified backlog of construction requirements which is estimated in 1982 dollars at about $2.6 billion.

Now how do each of the components determine their identified backlog? I will just open that question up and ask each one of you to try to respond to that.

General **WALKER**. Sir, our backlog is determined by the requirements of the States. You are familiar of course that we are the only ones that have the funding requriements as such, and I am talking about the 75 percent Federal and 25 percent State. Our backlog are those requirements that the States have identified in the contruction program.

AIRCRAFT CONVERSIONS

General **CONAWAY**. Ours in the Air National Guard are identified as those basically having to do with the conversions that we have from aircraft like KC-97's to KC-135's, F-100's to F-4's, and F-105's to F-4's. Examples of the different types of buildings that are needed are avionics, fuel cell maintenance, and corrosion control. A lot of the new environmental standards that we have to comply with creates the need for some of these facilities in order to meet the Federal and State standards, but they are also necessary for the combat readiness and training of our organization.

Some of these have been due to unit relocations. Others, just due to the obsolescence of some of the facilities, aging facilities needing to be replaced like we have done in a systematic way with the facilities at Knoxville, Tenn., which was an old Air Force base that we inherited with a lot of old buildings. We have put up some new ones and remodeled some old ones in this systematic long-range program.

ARMY RESERVE BACKLOG

General **Berkman**. With respect to the Army Reserve, Mr. Chairman, the backlog is identified as part of a 5-year planning process whereby the requirements for units for training and facilities for maintaining equipment and operations are identified, and then categorized on the basis of those projects that are mission essential for high priority units.

I might say, to give some indication of the backlog, that 10 percent of our backlog relates to early deploying units, including those units of the Rapid Deployment Force. Thirty percent of the backlog relates to units in the D-to-D plus 90 deployment category. So the backlog continues to be serious and a mater of concern.

MISSION AND FORCE LEVEL REQUIREMENTS

Admiral **Johnson**. In the Naval and Marine Corps Reserve, Mr. Chairman, the mission and the force levels determine our requirements. Once the squadron is assigned, for example, then the Navy and the Department of Defense have basic facilities requirements criteria which we cannot exceed as far as what facilities are necessary to support that mission. The construction of facilities to meet the basic criteria as well as to replace substandard and deteriorated facilities determine the backlog.

We have a Military Construction Facility Review Board that meets within the Navy and the Marine Corps. The most recent meeting was in January of this year. As they reviewed all of the projects they deleted many of them for which we no longer had the mission. Concurrently 30 to 35 facilities were identified that require replacement and we are now developing those projects. I estimate that these projects will increase our backlog about $60 to $75 million.

In addition, we gain new missions such as the Naval Support Activity, New Orleans. It will be transferred in fiscal year 1982 from the regular Navy to the Reserve and with it comes about a $6 million backlog.

Senator **Sasser**. Thank you, Admiral.

AIR FORCE BACKLOG UNITS

General **Wahleithner**. Mr. Chairman, the Air Force Reserve has $133 million in backlog projects today. If we receive the $28.5 million that we are asking for this year that will bring us to about $105 million. The majority of these projects are for outdated facilities that need to be renovated or replaced for receiving modern aircraft.

Each one of our bases has a committee which identifies these projects to us for the future. We will need on an average of somewhere around $50 million a year to control the backlog of projects.

Senator **Sasser**. Is there a specific Defense Department plan to accomplish this backlog in a specific time frame?

Mr. **Bee**. We have asked in prior years that the services provide at least a minimum in their annual programs of a 5-percent reduction of their backlogs. Looking over the history of the program going back to 1972 it appears that the backlog has remained relatively stable with some reduction in real terms.

The figures that I have in my statement assume approval of this year's request. This year's figures are not included in that $2.5 billion.

GUARD AND RESERVE INFLATION PROBLEMS

Senator **Sasser**. Do the Guard and Reserve have unusual problems with inflation in construction programs because of the unique State and Federal relationships in the projects that Major General Walker was indicating earlier?

General **Walker**. Sir, yes; we do. This is particularly one reason why we have had to come back to you for reprograming. The success of our projects and our construction program depends upon what the States appropriate in their State legislatures to support our construction program. We have had projects that have been bid considerably above the estimated amount as an example. The Federal Government may be able to fund the additional amount, but the State may not have their additional share. So yes, inflation does affect us.

General **Conaway**. Sir, I might add for the Air National Guard that we are different from the Army Guard in this one respect in that our projects are all 100 percent federally funded. This is because all Air National Guard property is federally owned or leased land that is then licensed back to the State. This gives the State authority to operate these facilities. For this reason, we go through the U.S. Property and Fiscal Office in each State.

Inflation has impacted us basically the same as it has the Air Force and the other components in the last couple of years with the bidding climate. It has become more favorable within the last 6 to 12 months and as a result, as I mentioned, we saved $3.2 million last year on fiscal year 1980 projects and were able to accomplish three more urgently needed projects that we had. But it is one area that we watch very closely.

Our backlog with inflation and new requirements keeps growing. In addition to what I said earlier, we are also increasing equipage at a lot of units working the program in conjunction with the Air Force. For example, the Nashville unit went from 8 C-130's to 16 C-130's and that put an added strain on with increased people and increased facility requirements.

We also have been asked to run a fair number of bases for the Air Force where they have asked us to come in and to be the single manager. Rickenbacker Air Force Base was taken over last year in Ohio, Selfridge in Michigan, and Otis Air Force Base in Massachusetts, and Buckley in Colorado add to our construction program as well.

General **Berkman**. Mr. Chairman, with respect to the Army Reserve, Army Reserve facilities are funded entirely from Federal resources and, of course, inflation has had an impact on those projects as well as our entire economy. In some cases the bidding climate has resulted in projects coming in at less than anticipated and they have provided those resources that have then been used to fund other high priority projects in our plan.

Admiral **Johnson**. Mr. Chairman, I do not believe that our problems in the Naval Reserve and the Marine Corps Reserve are unique to our program. It is affecting the regular Navy equally with their construction programs.

PROJECT DEFERRALS

Senator **Sasser**. Gentlemen, last year the committee expressed concern over the deferral of projects from prior year programs while your fiscal year 1981 request listed only new projects.

Now, you have reported on these deferrals to the Appropriations Committees, but for the record please give us a brief rundown on where each of the components stands in this regard?

We will begin with you, General Walker.

General **Walker**. Sir, we have given priority. One reason is because of the interest of this committee to prior year projects. In fiscal year 1982 we have 24 prior year projects in this request. Actually we had 17 more we would have liked to have put in the 1982 program but these were not ready. So consequently they were not put in there but we are conscious of what the committee instructed us and we certainly intend to give real emphasis to prior year projects.

Senator **Sasser**. Thank you, sir.

General **Conaway**. That is basically the same for us in the Air National Guard, sir. We have these identified and reported on these to you. We are making progress on accomplishing the projects that we have deferred and we will keep you posted. If you want a list of those, we can provide it.

Senator **Sasser**. I think we would like to have a list, General.

[The information follows:]

MILITARY CONSTRUCTION PROGRAM—AIR NATIONAL GUARD

Deferred Projects That Have Been Awarded

Base/State/project	Fiscal year original–present	CWE (thousands)	Month awarded
Sky Harbor IAP, Ariz.: Convert dock to fuel system maintenance dock	1979–80	$621.8	April 1981
Keaukaha Military Reservation (Hilo), Hawaii:			
Reserve Forces communication electronics training facility	1978–81	1,488.6	April 1981
Automotive maintenance/support equipment shop	1978–81	1,125.7	April 1981
Selfridge ANGB, Mich.:			
Squadron operations facility	1979–81	1,220.1	May 1981
Avionics/electric shop	1979–81	923.9	March 1981

DEFERRED PROJECTS YET TO BE AWARDED

Base/State/project	Fiscal year Original–Present	CWE (thousands)	Month awarded
Moffett NAS, Calif. Parachute and dinghy shop Power availability and siting problems have delayed deisgn. Problems now resolved and design is underway.	1979–83	800	March 1983
Andrews AFB (ANG), Md. Weapons and release systems shop Design start slow due to extended A–E Study and redefining of facility criteria. Design now progressing and is 90 percent complete.	1980–83	1,430	March 1983
Chicago-O'Hare IAP, Ill. Fuel system maintenance dock Proposals and studies and relocation of O'Hare IAP Military area resulted in project deferral and design delay. Final decision was not made in time to allow inclusion of this project in an earlier program. Design now progressing and is 90 percent complete.	1980–83	3,570	March 1983
New Orleans NAS, La. Fuel system maintenance dock (Joint ANG/AFRES project, 50/50 CWE split) Deferred to facilitate joint ANB/AFRES funding. Design difficulties added to the delay. Design now progressing and is 75 percent complete.	1979–82	1,500	April 1982

PROJECT LIST

General **BERKMAN**. I can provide information with respect to that question for the record if I may, Senator.

[The information follows:]

PROJECT DEFERRALS

State/Location	Project	Status/ Reason for Deferral
Arkansas		
Fort Chaffee	ECS/OMS Warehouse	Awarded. Oct. 81.
California		
El Monte	400-M Ctr/OMS/AMSA	Scheduled Award Aug. 81. Project delayed as it was planned that funds were to be used to support estimated funding shortfalls for other approved project. Shortfalls did not materialize.
Fort Ord	150-M Ctr/OMS	Scheduled Award Jun. 81. Design delays. A test project to provide a standardized fixed core with variable surrounding space.
San Bruno	100-M Ctr	Cancelled. Army Reserve Unit made use of space vacated by Navy Reserve Unit.
Ukiah	60-M Ctr	Cancelled. Insufficient strength
Colorado		
Buckley ANG Base	400-M/OMS/AMSA	Cancelled. Insufficient strength
Illinois		
Arlington Heights	Expand to 1400-M Ctr/C&C/OMS	Cancelled. Force structure changes prohibited construction of facilities as originally included in the budget request
Chicago (Homewood)	800-M Ctr/OMS	Cancelled. Force structure changes prohibited construction as originally included in the budget request.

State/Location	Project	Status/ Reason for Deferral
Illinois (Contd)		
Chicago (Gibson)	Expand for Command and Control	Cancelled. Major unit scheduled for deactivation.
Scott AFB	Convert Hangar for USAR use.	Deferred to FY 82. The Air Force desired an exterior construction that would not preclude future use of facility as a hangar in event of mobilization. Project deferred to permit redefinition of scope. The Appropriations Committees approved the reprogramming request to defer the project for aforementioned reason.
Indiana		
Muncie	300-M Armed Forces Reserve Ctr (Joint w/NGB)	Deferred to FY 82. Real estate acquisition difficulties precluded construction in FY 80. The Appropriations Committees approved the reprogramming request which deferred this project.
Iowa		
Ft Des Moines	Expand to 800-M Ctr/OMS/AMSA/ Command & Control	Cancelled. Force structure changes prohibited construction of facilities originally included in the budget request The Appropriations Committees Appropriations Committees approved reprogramming request which cancelled this project.

State/Location	Project	Status/ Reason for Deferral
Louisiana		
Baton Rouge	Alter 800-M Ctr/ Warehouse/OMS/ AMSA	Cancelled. Conditions of existing building did not warrant rehabilitation as envisioned. Redesign as new project after land acquisition.
New Orleans (Fleming)	Expand to 600-M Ctr/OMS	Cancelled. Troop realignment prohibited construction of facilities as originally included in the budget request. The Appropriations Committees approved reprogramming request which cancelled the project.
Massachusetts		
Fort Devens	Flight Simulator Building	Cancelled. Flight simulator not to be available in forseeable future.
Minnesota		
Buffalo	Expand to 60-M Ctr/OMS	Cancelled. Strength problems. Project deauthorized.
Wabasha	150-M Ctr/OMS DS-GS Maint Shop	Deferred to FY 82. Real estate acquisition difficulties precluded construction in FY 80. The Appropriations Committees approved the reprogramming request which deferred this project.
Montana		
Lewistown	60-M Ctr/OMS	Cancelled. Low strength.

State/Location	Project	Status/ Reason for Deferral
Nebraska		
Omaha	600-M Ctr/OMS	Cancelled. Low strength, troop realignment in Omaha area, high cost of land acquisition and site development. The Appropriations Committee approved the reprogramming request which cancelled this project.
New Jersey		
Edison	Expand to 600-M Ctr	Cancelled. Unit reorganization prohibited construction of facilities originally included in the budget request. The Appropriations Committees approved the reprogramming request which cancelled this project.
Ohio		
Columbus (Whitehall)	Expand to 600-M Medical Wing	Cancelled. Low strength.
Wooster	Expand to 100-M Ctr w/OMS	Cancelled. Low strength. The Appropriations Committees approved reprogramming request which cancelled this project.
Pennsylvania		
Ft Indiantown Gap	Annual Trng Facility Ranges	Deferred to FY 82. Design delays and significant estimated cost increase. The Appropriations Committees approved reprogramming request which deferred the project.
Texas		
Houston	Alter and Expand Ctr/C&C/AMSA/OMS	Cancelled. Cancellation of units in area prohibited construction of facilities originally included in the budget request.

State/Location	Project	Status/ Reason for Deferral
Virginia		
Ft Pickett	Annual Trng Facilities	Awarded. Dec 81. Review of significant increase in cost estimate prompted need to revalidate project.
Wisconsin		
Ft McCoy	Install 327 Pit Latrines	Cancelled. Environmental problems did not materialize.
Milwaukee	Expand to 600-M Ctr	Cancelled. Troop realignment. Low strength.

DEFERRED PROJECTS

Admiral Johnson. Mr. Chairman, we only had one project in 1981 that we deferred to 1982 and it was the Naval and Marine Corps Reserve Training Building at San Diego. We got in trouble with a site with an endangered species on it and we had to find a new site that required redesign. Since we were losing time we decided just to defer it to 1982 thus allowing us to catch up on our funding shortfall of previous years.

Senator Sasser. What was the endangered species, Admiral, do you recall?

Admiral Johnson. It was the mesa mint which was a little flowering plant. We finally found an alternate site about a half a mile away.

Senator Sasser. We had an endangered species down in Tennessee, the snail darter. I had folks coming to me and telling me, they said, "Well, Senator, we have got these darters, these little old snail darters in creeks in my county and they have been there for years and years." Finally it did develop that snail darters were all over east Tennessee in creeks and rivers around there. After we had held up a project for 6 or more years why we discovered snail darters everywhere.

General Berkman. With respect to that question I would like to summarize the information relating to the Army Reserve. There were 27 projects in the Army Reserve program for the period fiscal year 1977 through fiscal year 1980 for which contracts had not been awarded as of October 1, 1980. Nineteen of these were canceled for reasons such as use of other facilities, low strength, and force structure changes that required major scope changes. Four have been included in the fiscal year 1982 program, two have had contracts awarded in fiscal year 1981 and two are scheduled for award during the fourth quarter of this fiscal year.

Senator Sasser. Thank you, General.

General Wahleithner. Mr. Chairman, the Air Force Reserve has two projects: One a fuel cell repair facility at New Orleans and an aero-medical evacuation facility at Kelly Air Force Base, Tex. Both had design difficulties last year. The design is now moving along and we are giving these projects priority this year. These projects are in this year's request.

Senator **SASSER**. Thank you.

JOINT USE TYPE FACILITIES

There continues to be an interest expressed in the joint use type of facilities for the Guard and the Reserve. What are the feelings of each of the components on these projects for joint use?

General Walker?

General **WALKER**. Sir, I will give you my personal opinion here. In my personal opinion I do not favor joint projects. Why? For years the Guard has been dependent upon the community in which it resides. These projects tend to deemphasize this fact. In other words, it gives it no distinct home and no real identification to that unit. You show me a unit that is not accepted as an entity of the community and I will generally show you a weak unit. I think this tends to weaken our system.

General **CONAWAY**. Sir, for the Air National Guard we basically have our own facilities due to the fact that we are located in many communities at municipal air fields. But where we can joint fund and joint use facilities we do that. For example, in the current program there is $7 million to purchase land for an air-to-ground range at Warren Grove, N.J. This will be Air National Guard funding because it will primarily support the Air Guard. However the Active Air Force, Marine Reserve and Navy Research and Development will all be using this facility.

We also have two projects right now that are in the program for joint use: a New Orleans Fuel System Maintenance Dock, $1.5 million, that is joint 50–50 between the Air Force Reserve and the Air National Guard; there is also a joint fuel operations facility at Minneapolis-St. Paul for the Air Force Reserve and the Air National Guard. So we do it where we can and where it is feasible.

General **BERKMAN**. With respect to the Army Reserve, Mr. Chairman, we work closely with the Reserve components of the other services. Where joint projects are feasible and are appropriate they are pursued. Currently there are two joint projects with the Army National Guard and, as Admiral Johnson has indicated, there is one joint project with the Naval Reserve.

General **WAHLEITHNER**. Mr. Chairman, the Air Force Reserve joint uses facilities wherever we can. We have our units training in aerial port facilities of the Active Forces and in Active Force hospitals. There are some facilities, however, where we operate our units on a daily basis, 24-hours a day, oftentimes where joint utilization is not possible. But wherever we can we joint use facilities.

Senator **SASSER**. Thank you, gentlemen.

MILLINGTON AND MEMPHIS, TENN., NAVAL AIR STATION

Admiral Johnson, I have got a matter of specific concern. Last year the committee provided report language which said that projects should be requested to maintain the Naval Air Station at Millington and Memphis, Tenn., as a viable reserve unit.

You will recall 2 or 3 years ago we got funding there to lengthen that runway or to rehabilitate the runway so that we could maintain it as a viable Air Reserve location.

Now, what are the plans of the Naval Reserve to assure continued operations at Millington?

Admiral JOHNSON. Yes, Mr. Chairman. The runway repair that you mentioned was completed in January, 1981 and certainly is a great improvement.

Senator SASSER. I went down there, by the way, and looked at it about 30 days ago with the CO of the air station and it is a dramatic improvement.

Admiral JOHNSON. The Naval and Marine Corps Reserve had already formulated the 1982 construction program and was in the process of authorizing the design when the desires of the committee became known last year. Although there was time to alter the fiscal year 1982 program, the projects already in the program were of high priority and it was a matter of affordability.

On the other hand, the regular Navy for fiscal year 1982 has almost $12 million in their program, and that is about one-half of our total program, with which they intend to upgrade the Naval Air Station at Millington.

ENGINE TEST CELL

We have one project proposed in fiscal year 1983 under design. It is an engine test cell for the Naval Air Reserve Unit. Outyear projects include: an aircraft rinse facility, a maintenance hangar, an aviation technical training building, and a reserve training building.

Senator SASSER. Well, I am delighted to hear that.

Last week during the active Navy hearings I expressed my concern to Admiral Zobel that reports indicate that the Secretary of the Navy may be considering consolidating some of the functions of the Chief of Naval Technical Training at Millington and moving some of these functions to Pensacola, Fla.

Now, I strongly opposed that and expressed my opposition to Admiral Zobel. I frankly think it would be false economy.

Admiral JOHNSON, I know that you are here representing the Reserves but I ask you to take my concerns, if you will, back to the highest levels of the Navy.

I had dinner a couple of weeks ago with the Chief of Naval Operations and indicated to him at that time that I was optimistic and hopeful that the Navy would continue to operate full blast at Millington Naval Air Station because I think that is a good location for the Navy.

We are prepared to come forward with the necessary funding, at least this committee is, to see that the physical facilities there stay up in first-class condition. The people of that area like to have the Navy there and support the Navy. We want to do everything we can to make sure that the Navy keeps a full component there.

So if you would take not only my concerns but my support back to your colleagues in the highest levels of the Navy over at the Pentagon I would very much appreciate it.

Admiral **Johnson**. I certainly will, Mr. Chairman. The Naval Reserve is committed to a strong an viable presence at the Naval Air Station in Memphis. We are sensitive to the desires of the committee and you will see one project in 1983.

JOINT UTILIZATION

If I may, Mr. Chairman, your question on joint utilization previously I didn't get my input. I would just for the record like to point out that of our 22 air reserve facilities 21 or 95 percent are utilized jointly with one or more units of the other Guard and Reserve. Out of 238 surface reserve centers and facilities, 163, or 69 percent, are utilized jointly.

Senator **Sasser**. When you say jointly, is that with the Navy and Marine Corps?

Admiral **Johnson**. We have 45 with the Army Reserve, 115 with the Marine Corps, 67 with the Coast Guard, six with the Air Force and five with the National Guard.

SUBMITTED QUESTIONS

Senator **Sasser**. Well, gentlemen, thank you very much for appearing this morning. We are going to have additional questions which I will ask you to respond to for the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR SASSER

Senator Sasser: With a request for fiscal year 1982 of $236.2 million, it would seem to take an indefinite time to accomplish this backlog. Can we expect to see larger programs in the future?

Mr. Bee: As noted in my prepared statement, we are concerned about the size of the backlog of Guard and Reserve Construction requirements. However, it is also a problem of the active services. Competing requirements for the limited resources allocated for Defense is such that construction generally does not enjoy a high priority. Each service is also given the opportunity to adjust the resources allocated to their Departments and ultimately have the responsibility for the mix of funds within their budgets including the amounts allocated to their Guard and Reserve Components.

Being realistic, future programs will probably not be appreciably altered unless overall Department of Defense funding is altered.

It should be also noted that in my prepared statement, we indicated that the backlog has actually decreased in real terms over the past decade while being funded at the general level of this year's request.

Senator Sasser: With respect to your increased request of $236.2 million, how much of each components' increase is for real growth, and how much of the increase is caused by inflation?

Mr. Bee: Our overall request for fiscal year 1981 was $206.7 million which has been amended in the supplemental to $213.2 million. The increase in this year's request is just $23.0 million of which $18.5 million could be attributed to inflation. However, not all components have increased requests, the Air National Guard request is $0.6 million less than the fiscal year 1981 request, the Army Reserve's request is $4.2 million less, and the Naval and Marine Corps request is only $1.7 million above last year's request. The bulk of the increase in this year's request is for larger Army National Guard and Air Force Reserve programs of $13.0 and $13.1 million respectively. Approximately $3.0 million of the Army National Guard's increase and $2.0 million of the Air Force Reserve's increase can be attributed to inflation. The other components programs would all show decreases when inflation is considered.

Senator Sasser: As you are well aware, inflation has taken its toll on the Military Construction Programs in the recent past. What will be the effect on your programs if the inflation adjustment factors used to prepare the fiscal 1982 amended request are not realistic?

Mr. Bee: Operating under lump sum authorization, any adjustments necessary as the result of unrealistic inflation estimates will be made by either accelerating or deferring projects. In this regard, we anticipate a 8.7 percent inflation rate in the construction program this year, 7.3 percent next year and 6.2 percent the following year. The total inflationary impact on our request is then approximately $16 - 18 million.

Senator Sasser. Have the contracts awarded thus far from the FY 81 program been favorable with regard to estimated and funded amounts?

General Walker. Contracts awarded and bids that have opened, so far this FY, have been approximately 83 percent of the authorized amount.

General Conaway: Yes. As of 13 May 1981, 41 projects have had bids received. Of this number, 36 were at or below the estimated amount and five were above the estimated amount.

General Berkman: There was a total of $42,463,000 appropriated in FY 81 for the construction of 13 Army Reserve facilities. To date there have been awards or bid openings for 10 projects. These projects had award CWEs of $31,392,387 compared to estimated costs of $34,238,000. The Army Reserve plans to award the three remaining projects there were in the budget as well as a project in Lawton, Oklahoma for $9,408,000. The remaining $1,662,613 will be used to accommodate modifications that experience indicates will arise during construction.

Admiral Johnson: In Fiscal Year 1981 to date 9 projects have been awarded and 3 are presently in the Congressional notification cycle. Considering these 12 projects we are running at about 114 percent above the amount appropriated. The projected current working estimates, however, for the entire Fiscal Year 1981 program is about $35.1 when compared to the appropriated amount of $33 million. As previous stated we have a priority of executing prior year projects first. Our Fiscal Year 81 shortfall will be financed with Fiscal Year 1982 funds. To catch up we are deferring and have resubmitted the Naval and Marine Corps Reserve Center San Diego project in Fiscal Year 1982. By doing this we should catch up with our current funding shortfall.

General Wahleithner: The Air Force Reserve FY 81 Military Construction Program consisted of 26 projects with an appropriation of $17,725,000. To date bids have been received on 17 projects. Costs on these 17 projects are running at 99.5 percent of the appropriated amounts. So thus far, bids have been favorable.

Senator Sasser. Can the Committee expect to fund the FY 82 request as presented and continue to see a decline in the deferred project list?

General Walker. There will be changes in the FY 82 program as presented. Because of favorable bids received during FY 81, seven projects have been transferred from the FY 82 program into FY 81. Thus allowing the programing of three prior year projects into FY 82, reducing the backlog of prior year projects to be programed. You will see a decline in the deferred project list because we continue to give priority to these projects.

General Conaway: Yes.

General Berkman: The funding of the FY 82 request will provide for four previous year projects that were deferred.

Admiral Johnson: Yes, sir. We have a priority of executing prior year projects first. To help manage our funding shortfall we are deferring and resubmitting projects from one Fiscal Year to the next. I have mentioned the Naval and Marine Corps Reserve Center project at San Diego being deferred and resubmited in Fiscal Year 1982. This action should allow us to catch up with our current funding shortfall.

General Wahleithner: Yes, the Air Force Reserve has only two projects which have been deferred from previous programs. Both projects are included in the FY 82 request and we intend to execute these projects early in the fiscal year.

Senator Sasser: Is there a Defense Department Policy concerning the determination of facilities and whether joint-use is feasible?

Mr. Bee: It has been the Department of Defense's policy since at least 1952 to jointly utilize Guard and Reserve Facilities to the extent practical. It has also been a requirement of law since at least 1956. To implement the policy, each situation is considered separately as to whether it is practical or not. We rely upon the Components to coordinate their construction requirements within a given community and receive independent recommendations from State Guard and Reserve Forces Facility Boards which meet periodically to review state-wide construction programs. In addition to this, we review each item and on occasion ask for greater detail where we are not convinced that the most practical plan has been developed. We are most concerned in areas where a component does not have a large enough program to use a facility every weekend. In those instances, another component could use drill halls, classrooms, kitchen, parking lots, rifle ranges etc without additional construction or interference with each other's training programs.

Senator Sasser: How many joint-use facilities are requested as part of your fiscal 1982 budget submission?

Mr. Bee: In this year's request, there are 10 projects which will build or expand six armories or reserve centers for joint use. In addition to armories and reserve centers, most training site facilities and several of the operational facilities in the air programs are jointly used.

Senator Sasser: Can we expect more joint-use facilities to be requested in future programs?

Mr. Bee: We expect to see more joint use facilities being programmed as the result of the efforts now being made by the Component Chief Staffs to coordinate long-range planning. There has also been considerably more interest expressed in joint utilization this past year in the proceedings of the State Guard and Reserve Forces Facility Boards. In view of the lead time required for planning and design, the impact of the new efforts may not surface prior to the Fiscal Year 1984 program.

Senator Sasser. In which specific areas are each of the Components most concerned about their programs - for example, training versus operational facilities?

General Walker. Of the total of 36 nonarmory projects in the FY 82 MCARNG Program, 15 are maintenance facilities. Of the total requested authorization for nonarmory construction, training facilities represent approximately 42 percent of the proposed expenditure. In addition to those facilities whose only purpose is to support the training function, a substantial amount of training is also performed in armories and, to some extent, in maintenance facilities as well. In essence, while training represents a predominant factor in the achievement of maximum unit readiness, the functions of development, operation, support, and maintenance must also receive consideration in a balanced approach.

General Conaway: The Air National Guard is most concerned about facilities that support aircraft conversions and unit relocations. For aircraft conversions the primary interest is in sortie generating facilities, i.e. aircraft maintenance and operations facilities. For unit relocations, both training and operational facilities are equally important as the units cannot move and be combat ready without all required facilities.

General Berkman: The primary reason for the Army Reserve is to provide trained manpower and units to augment the active component in time of national need. A major factor in providing support for the required training is the provision of a training site of which the Reserve center is the hub. Priority is given to early deploying units. Within that policy, we must consider first, the facilities necessary for training, storage and maintenance of equipment in the home facility, and second, facilities necessary for annual training sites where these are not otherwise provided.

Admiral Johnson: While we are concerned about facilities in all areas the major concern and emphasis is on operational facilities to properly train our Reserve personnel to be "Mobilization Ready." A history of less than desirable funding levels in the military construction program has impacted on all facilities but in particular administrative and personnel support facilities at most activities. The old age and poor condition of these facilities negatively impacts on retention and recruitment in the Reserve program.

General Wahleithner: Almost 60% of the FY 82 Military Construction Program for the Air Force Reserve is in support of aircraft maintenance facilities. The remaining portion of the program is almost equally divided between projects to support operations, training and general support facilities. Our overall program requirements have increased in order to support hardware conversions associated with Air Force Reserve modernization.

Senator Sasser. Are the construction needs for the Guard and Reserves coordinated with the Active Forces? In other words, where appropriate do you make use of Active Force facilities--especially if these are underutilized?

General Walker. State Guard/Reserve Forces Facilities Boards, in making their initial analysis of all proposals for acquisition/construction of Guard/Reserve facilities, are required to give first consideration to full utilization of existing, partially-used facilities, specifically including those of the other Guard/Reserve Components and the Active Armed Forces. This responsibility is set forth in Department of Defense Directive 5126.24, which defines the duties and responsibilities of these Boards.

General Conaway: Yes. Air National Guard Units located on Active Force installations must clear all construction requirements with the active force facility boards before they become validated Air Guard requirements.

General Berkman: Existing facilities of all Reserve Forces, as well as all other military installations, are utilized to the maximum extent possible. Joint use is addressed for each project. Every possible facility within a 15 mile radius must be specifically considered and reasons for non selection is included in project justification. We have in the past missed opportunities. However, my complete revision of the governing Army Regulation makes it clear that where joint possibilities exist, they will be capitalized upon.

Admiral Johnson: At those locations where we are either tenants or in close proximity to active force facilities, the review of under utilized facilities is conducted.

General Wahleithner: The Air Force Reserve Military Construction Program has been fully coordinated with the active force. The Air Force Reserve makes every effort to joint use existing facilities when collocated on an active duty installation. In addition, the Air Force Reserve does make use of facilities excess to the active force when the opportunity is realized. This minimizes construction dollar needs by altering existing facilities rather than having to build completely new structures.

Mr. Sasser. How many installations are actually controlled by the Guard and Reserves?

General Walker. Army National Guard Facilities:

Type Facility		Number
Armories		2,791
Nonarmory		
Training Facilities	274	
Aviation Facilities	89	
US Property Fiscal Officer Facilities	120	
Logistical Facilities	1,632	
Subtotal		2,115
Grand Total		4,906

General Conaway: The Air National Guard operates and maintains 89 flying and 64 non-flying installations.

General Berkman: The Commander of the Forces Command, as the Commander of Army Reserve units, controls three active and five semi-active installations as well as 1,053 Army Reserve Centers. These activities are supported by the Operation and Maintenance Army Reserve appropriation.

Admiral Johnson: A list of Naval Reserve facilities is as follows:

Surface:	
Naval Reserve Centers	105
Naval and Marine Corps Reserve Centers	115
Naval Reserve Facilities	18
Subtotal	238
Naval Reserve Readiness Command Headquarters	16
Subtotal	16
Air:	
Naval Air Stations	6
Naval Air Facilities	2
Naval Air Reserve Units	7
Naval Air Reserve Centers	8
Subtotal	23
Total	277

General Wahleithner: The Air Force Reserve has 54 flying units and a 131 non flying units. They are based at 37 locations, 11 of which are controlled by the Air Force Reserve.

Senator Sasser. What are the estimated Operation and Maintenance costs for these installations?
General Walker. $73,504,000.

General Conaway: The total operation and maintenance costs budgeted for these installations in FY 82 is $134.28 million.

General Berkman: The Operation and Maintenance Army Reserve request for Base Operations and Communications in FY 1982 is $169,146,000.

Admiral Johnson: The Fiscal Year 1982 budget for operations and maintenance of facilities at these locations, including the Chief Naval Reserve headquarters in New Orleans, is $132.195 million.

General Wahleithner: The Air Force Reserve has requested $40,445,000 in FY 82 to perform real property maintenance functions at these locations.

Senator Sasser. Does the Backlog of Real Property Maintenance have a direct effect on your construction needs?
General Walker. The fact that Maintenance and Repair projects are deferred (backlogged) contributes substantially to the generation of new construction requirements since existing facilities are not preserved but are allowed to deteriorate past the point where it is economically feasible to repair them, thus resulting in a requirement for new construction.

General Conaway: Yes. When real property maintenance is deferred to the point where it is more economical to replace rather than to repair a facility, the construction of the replacement facility impacts on the funds available for construction of newly identified facilities to support aircraft conversions and unit relocations.

General Berkman: The backlog of real property maintenance does not have a direct effect on the Army Reserve Construction program. However, in the expansion or modification of a center we normally take care of a repair requirement. As an example, we expanded a center in Wilmington, Delaware and as a part of the project, the roof over the existing building was replaced.

Admiral Johnson: Yes, the backlog of maintenance and repair does have a direct effect on the military construction program. As the backlog of maintenance and repair increases for a specific facility, a point is reached whereby a decision to replace rather than repair a facility may be more cost effective. The present maintenance and repair backlog consists principally of major rehabilitation and repair costs to sustain marginally adequate semi-permanent construction built between 1942 and 1950. One objective of our construction program is to replace substandard facilities which are no longer economical to repair. With regard to the continual growth in the backlog of maintenance and repair, the Congress issued a containment policy of no further growth in year end backlog above the Fiscal Year 1978 level of $20.7 million. Budget cuts, reprogramming actions which did not materialize, coupled with the inflation and deterioration of the backlog of maintenance and repair did not allow us to meet containment levels from FY 79 - 81. The projected maintenance of real property funding levels for Fiscal Year 1982 is projected to be $31.1 million which will still leave the Navy Reserve about $4.0 million above the Congressional containment policy.

General Wahleithner: Yes it does. If real property maintenance is not adequately funded the upkeep of facilities cannot be met. This eventually makes it economically unfeasible to repair facilities versus constructing new ones if maintenance and repair is deferred for too long a time.

Senator Sasser: For the record, please provide for the Subcommittee a priority list, by Component, of your FY 1982 program.

Mr. Bee: Mr. Chairman, it is the policy of the Department of Defense not to provide such lists. Exhaustive reviews of the program have been conducted within the Service Departments, at OSD and the Office of Management and Budget. We consider all of the projects to be urgently required and have requested funding without priority consideration.

NONDEPARTMENTAL WITNESSES

Reserve Officers Association of the United States

STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, AUS (RETIRED), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

INTRODUCTION OF WITNESSES

Senator **Sasser**. We have got other witnesses here who are waiting to testify and we want to get to their testimony. [Brief pause.]

Senator **Sasser**. Our next witnesses are Maj. Gen. J. Milnor Roberts, executive director of the Reserve Officers Association; and Maj. Gen. Francis S. Greenlief, executive vice president of the National Guard Association.

Gentlemen, we welcome you this morning and look forward to your testimony.

General Roberts, why don't you lead off here.

General **Roberts**. Mr. Chairman, thank you very much. It is a pleasure as usual to be with you and perhaps we can say some things that our previous witnesses were constrained from saying.

Senator **Sasser**. Well, I suspect that you would say that. That is one reason we wanted to have you here this morning. [Laughter.]

General **Roberts**. I would ask that our entire statement be placed in the record.

Senator **Sasser**. It will be incorporated in the record in its entirety at the conclusion of your remarks.

General **Roberts**. I have some other remarks to make.

UPGRADING RESERVE OFFICERS

First of all, Mr. Chairman, you may have seen the Washington Post this past Friday in which an article was printed, "Relief From the Brookings Institute," which specifically addressed the need to upgrade Reserve Forces. We applaud that article with the exception that they overstated the case for budget when they talked about $11 billion and they understated the capability.

I think it should be important to know that actually the taxpayer is getting a lot out of his Reserve components and not just from the units of the Federal establishment but obviously from the National Guard.

For example, the Air Force Reserve and Guard are flying missions every day that are of vital importance to the country.

Of course with that background we need to do what we can to support these units in the construction area.

PROJECT LIST

With regard to the Army, you have just heard General Berkman submit a request for approximately $39 million for fiscal year 1982. However, we have a list of other projects which I think should be addressed in this particular year. We talk about the backlog. This would take a bite at that backlog and would be approximately $16 million in excess of what the administration has requested.

I have here and will submit for the record that list.

[The list follows:]

INFORMATION PAPER

Subject: Additional Projects for fiscal year 1982 MCAR Programs

Issue: To provide a list of additional projects with estimated costs that could be executed during fiscal year 1982.

1. Reference: DAAR-CM Info Paper, Feb. 4, 1981, Additional Projects for fiscal year 1981 and fiscal year 1982 MCAR Programs.

2. Request received from Tom Bee to update the reference. Stillwater, OK and Richmond, IN projects were deleted because of strength. Greenwood, MS deleted as work will probably be done as a minor project.

3. In the event additional funds were made available, the following fiscal year 1983 projects, for which DD Form 1391s are attached, could be awarded during fiscal year 1982:

Location	Description	Thousands	Percent of design
Sharpe Army Depot, Calif	Bks, Co Admin/Supply	$1,147	35
Rocky Mountain Arsenal, Colo	OMS/AMSA	1,306	40
Chicago (Homewood), Ill	400-M USARC	2,251	98
Great Bend, Kans	Alter 100-M AFRC/OMS	558	60
Ft. George G. Meade, Md	ECS/AMSA	2,597	95
Guymon, Okla	100-M USARC	1,208	95
McAlester, Okla	Exp 60-100M	411	95
Indiantown Gap, Pa	ECS/AMSA	3,381	95
Tobyhanna, Pa	Exp 25-150M	900	95
Winooski, Vt	Expand to 100M USARC	738	100
Martinsburg, W. Va	Exp 25-100M	1,030	60
Total		15,527	

4. It is understood that the HASC Military Installations and Facilities Subcommittee is directing the transfer of the project to modify buildings at Fort Douglas, UT at a cost of $3,550,000 from MCA to MCAR. This project is 35 percent designed.

DEFICIENCY IN NAVAL MARINE CORPS PROGRAM

General **Roberts**. It doesn't make much sense to continue year after year with an ever increasing backlog and ever increasing inflation. I think we ought to bite the bullet on it.

Of even greater significance is the deficiency in the Naval Marine Corps program where the administration has asked for $26.4 million and the list that they have which should be accomplished would virtually double that request to $53 million.

We have in our prepared statement a list of these extra facilities beyond the administration's request which appears on page 8 of the statement. You may be interested to note that one of those items refers to Millington with the engine test cell programed at $2.1 million.

The first item on that list is of special urgency. It replaces a facility at the Naval Air Station in Dallas which burned down and they have had to make some changes out there which are expensive. Part of the facility, if not the major part, is a dining capability and they are having to push people around and pay a per diem charge for food which of course is adding up in real dollars. So I would think that one of the early considerations in an add-on would be to replace that facility at Dallas.

Also, with regard to the Air Force we believe the administration's request is just about on the target. We would point out that all of that money is needed because about two-thirds of it is required for mission changes which is a continuing process of upgrading the capability of the Air Force Reserve.

JOINT USAGE

With regard to joint usage, I don't believe it was brought up in the testimony by General Berkman, but the two facilities that he did mention in connection with the Army National Guard are at Great Bend, Kans., and at Rolla, Mo., the first one of course being with the Kansas Army Guard and the second with the Missouri Army Guard.

When I was in General Berkman's position we had about 10 percent of Army Reserve facilities which were in joint usage with other services and we attempted to do just that wherever feasible though frequently of course it is not feasible.

A good example of a joint facility which you can look at locally is right here at Anacostia. If you have never seen that thing I would strongly suggest that you take a few minutes and look at it. It is a joint facility primarily Navy but used by almost all of the components and it is a splendid example that it can be done. The Navy, Marines, and Coast Guard are in there and there are elements of the National Guard in there. I think the only component not in there at all is the Air Force Reserve. This is just across the South Capitol Street Bridge. It is on part of what was the Naval Air Station at Anacostia.

That concludes my remarks, sir.

Senator **SASSER**. Thank you, sir. I would like to say to you, General Roberts, that I would like very much to see that facility at Anacostia and would like to make some arrangements to go over there. I didn't realize we had just an excellent example of joint use so close.

General **ROBERTS**. It is about 5 minutes away.

Senator **SASSER**. Right.

General **ROBERTS**. If one of your staff members would call me one of my staff people would be glad to arrange it.

Senator **SASSER**. We would like very much to do that.

PREPARED STATEMENT

[The prepared statement of Maj. Gen. J. Milnor Roberts follows:]

Reserve Officers Association of the United States

Statement of

Major General J. Milnor Roberts, AUS (Retired)

Executive Director

Mr. Chairman and Members of the Committee:

I am especially pleased to have the opportunity of appearing before your Committee to present the views of the Reserve Officers Association on the construction requirements of the Reserve Forces of the United States. Recent world events have underlined the importance of our Reserve Forces to our National Defense Posture.

No member of your Committee needs to be reminded of the ravages of our present rate of inflation and the need to reduce expenditures whenever possible; however, I am sure that you are fully aware that direct expenditures on Reserve Components is limited to about five percent of the Defense budget, yet the Services are relying to a very pronounced degree on those Components upon mobilization. For example, more than 50 percent of Army combat units and nearly half of the total Army available on "M" Day would come from Reserves. Comparable statistics for other Services are available. Given this indication of reliance of Reserves, it is natural to wonder why these Forces have been given second class treatment for many years when they are expected to deliver first class performance within days or weeks in a crisis.

I would now like to address some general construction requirements for each of our military services.

ARMY RESERVE

The Army Reserve consists of over 200,000 personnel in the troop program units and almost an equal number in the Individual Ready Reserve (IRR). Today a ready, capable Army

Reserve is required as part of the total Army to accomplish its wartime mission. Many Army Reserve units are included in the Army's portion of the Rapid Deployment Force and the minimum essential/rapid reenforcement forces.

Training continues to be the most important responsibility of the US Army Reserve units. Other than the two weeks annual active duty, all training and equipment maintenance must take place at the individual reserve center. In addition to providing a base for training, the reserve centers contribute to the ability of the USAR to attract and retain reservists.

At the present time it would require $848 million just to replace obsolete or deteriorated facilities. $697 million would be required in FY 1982 to construct the validated requirements. The Army's FY 1982 construction program for the USAR is $30.4 million; this is $11.8 million less than what was appropriated for in FY 1981. It is realized that all the validated projects cannot be designed and constructed in any one given year. The FY 1982 program is structured to provide the much needed facilities within available funding.

The Army Reserve has sufficient construction projects that are justified and with the design status sufficiently completed that they could be accomplished within FY 1982 provided the necessary funds are made available. These projects would entail a total of $47.2 million or an increase of $16.8 million over the Army's FY 1982 budget for construction.

ROA considers this increase essential for the training and maintenance of selected reserve units to facilitate their readiness and mobilization. The construction projects and their estimated costs are as follows:

LOCATION	DESCRIPTION	COST ($000)*	DESIGN STATUS
Chicago (Homewood), IL	400M USARC/OMS/DS/GS	2,251	95%
Winooski, VT	Expand to 100M USARC	698	95%
Redstone Arsenal, AL	New 600M Center/OMS/AMSA	2,913	10%
New Orleans (Fleming), LA	Expand Center/OMS to 400M	1,654	25%
Great Bend, KS	Alter 100M Center/OMS Stg Bldg (Jt w/KSARNG)	558	45%
Culpeper, VA	New Center - 60M	845	25%
Ft. Meade, MD	ECS/AMSA	2,047	95%
Ft. Indiantown Gap, PA	ECS/AMSA	2,959	70%
Sharpe AD, CA	AT Facilities	1,147	35%
Tooele AD, UT	AT Facilities	1,773	30%
Martinsburg, WV	Expand Center to 100M	1,030	45%
Chicago (Arlington Hts), IL	New Center/OMS - 600M	4,629	20%
Stillwater, OK	Expand Center to 150 M	693	95%
Helena, MT	New ECS/AMSA	798	10%
Fort Douglas, UT	Alter ECS/AMSA	557	10%
McAlester, OK	Expand Center to 100M	411	95%
Rocky Mt. Arsenal, CO	New OMS, AMSA	1,306	25%
Tobyhanna, PA	Expand Center to 150M	900	95%
Greenwood, MS	Expand OMS/AMSA	210	40%
Grand Prairie (Dallas NAS), TX	Correct Flight Safety Hazards	912	60%
Kittanning, PA	New Center/OMS - 60M	1,259	35%
Rolla, MO	Expand NG Armory (Jt w/MOARNG)	590	5%
Santa Barbara, CA	Expand Center	804	60%
Guymon, OK	New Center - 100M	1,208	95%
Detroit (Stroh), MI	Expand Center	2,535	20%
Oklahoma City (Krowse), OK	Expand Center to 400M	2,621	10%
Santa Rosa, CA	City Water & Sewer Connection	600	10%
Richmond, IN	200M USARC	1,534	50%
Jackson, MS	Expand Center/OMS/AMSA	1,582	25%
Dublin, GA	300M w/OMS	1,606	15%
Ft. Devens, MA	Expand 200-1000 M/OMS	4,603	15%

*Cost & % Design as of 31 March 1981

NAVY AND MARINE CORPS RESERVE

Mr. Chairman, as the Chief of Naval Reserve has testified, maximum use of existing facilities is being made; however, the physical plant is badly deteriorating.

Currently, there are 238 Naval Surface Reserve sites throughout the country; 139 of them (58 percent) are adequate and 99 (43 percent) are substandard. The substandard facilities are generally the multiple Quonset and Butler huts with connecting frame headhouse typical of the mass construction undertaken for the Reserves in the late 1940's. As the Butler and Quonset huts had an economic life of 20 to 25 years and with construction funds simply not available to replace them, those structures now have a high maintenance cost, degradated appearance and they are inefficient training sites.

There are six Naval Air Stations, two Naval Air Facilities and 14 other Naval and Marine Corps Air Reserve sites. Four of the six Naval Air Stations were designed and constructed during World War II and now show the impact of block obsolescence. This obsolescence is due to the use of design and material "for duration only" which does not permit flexibility to upgrade the facilities to adequately meet today's support and training equipment requirement. Today's aircraft are larger, heavier and more sophisticated. Therefore, the facilities constructed during WWII, if adaptable at all, are not adaptable to current requirements without excessive cost. Additionally, the seven Naval Air Reserve Units (NARU) are located on Active Regular Naval Air Stations and have generally been relegated to excess facilities with problems similar to the four WWII vintage Naval Air Reserve Stations.

Another area of vital concern is the seemingly ever-present MCNR Construction backlog. As we noted in last year's testimony before this Committee, the Senate Armed Services Committee in its Military Construction Authorization report for FY 1979, directed the Defense Department to fund the Guard and Reserve Construction programs at levels that would reduce the construction backlogs. We also noted that no such action had been forth coming. That observation is even more valid this year. Not only are there no funds programmed to reduce the backlog, the backlog has grown again from $251 million last year to $270 million this year. Mr. Chairman, after observing this situation for many years, it is obvious that firm Congressional action must be taken if this potentially disastrous problem is to be addressed.

Mr. Chairman, the FY 1982 MCNR program is appended. ROA has reviewed and concurs with the projects contained in this program. However, there are many vital projects which are not addressed. Accordingly, I have also appended a priority listing of essential Construction projects which have not been included in the FY 1982 budget request.

Mr. Chairman, it is quite obvious that it would be impossible to appropriate sufficient funds to correct all noted deficiencies. However, it is also obvious that the requested $26.4 million is patently insufficient. The FY

FY 1982 MCNR PROGRAM

STATE/INSTALLATION	PROJECT	ESTIMATED COST ($000)
CALIFORNIA		
NMCRC San Diego	Reserve Training Building	7,000
GEORGIA		
NAS Atlanta	Aircraft Maintenance Hangar	5,400
NAS Atlanta	Avionics Building	500
ILLINOIS		
NAS Glenview	Extend Water Dist System	250
NAS Glenview	UEPH	2,400
MISSOURI		
NMCRC Kansas City	Reserve Center Addn/Alt	2,700
NORTH DAKOTA		
NRC Fargo	Reserve Training Bldg Addn	1,250
PENNSYLVANIA		
MCRC Erie	Reserve Training Bldg Addn	1,200
TEXAS		
NAS Dallas	Aircraft Maintenance Hangar	2,600
WASHINGTON DC		
NAF Washington	Energy Conservation	600
	SUBTOTAL	23,900
VARIOUS LOCATIONS		
Minor Construction		500
Planning and Design		2,000
	SUBTOTAL	2,500
	TOTAL	26,400

Marine Corps, Naval Reserve Projects Above FY 1982 Funding Level

Priority	Location	Project Description	Est. Cost ($000)
1	NAS Dallas, TX	Dining Facility*	1,170
2	NAS Atlanta, GA	Acft Parking Apron	3,700
3	NMCRC Hartford, CT	Reserve Center	1,750
4	NMCRC Little Creek, VA	Reserve Center Addn	1,000
5	NMCRC Columbia, SC	Combat Veh. Maint. Shop	300
6	NMCRC Louisville, KY	Combat Veh. Maint. Shop	300
7	NAS Willow Grove, PA	MC Storage Bldg	750
8	NARU Whidbey Is., WA	Acft Hgr & Admin Bldg	6,900
9	NMCRC Orlando, FL	Reserve Center Addn	1,000
10	NAF Washington, DC	Up-Grade Hgr Sprinker	900
11	NARU Memphis, TN	Engine Test Cell	2,100
12	NAF Washington, DC	Up-Grade Avionics Bldg	500
13	NAS Willow Grove, PA	Hgr Fire Protection	270
14	NRC Ogden, UT	Reserve Center	1,400
15	NAS Dallas, TX	CZ Land Acquisition, II	5,600

*Destroyed by fire 17 January 1981.

81 MCNR budget request for $24.7 million was increased to $33 million by the Congress. Similar Congressional action is required again this year. Mr. Chairman, in order to accomplish the submitted projects; to accomplish the top three unbudgeted projects; and to accomplish a modicum of reduction the Construction backlog, ROA urges approval of $53 million for the FY 1982 Navy and Marine Corps Reserve Construction Program.

AIR FORCE RESERVE

We are pleased to note that the Air Force Reserve is ready to fulfill its peacetime and wartime commitments. With the exception of two fighter units converting to newer aircraft, all Air Force Reserve flying units are combat ready. The secret of continued Reserve effectiveness is modern equipment and realistic training, coupled with meaningful missions. Modern equipment is being acquired by the Reserve. The essential facilities presented in the FY 1982 Military Construction Program request are necessary to train, maintain and operate this component of the total force.

Unlike previous years, almost two-thirds of the dollars requested in FY 1982 are to support missions change.. Sixteen of 35 Air Force Reserve flying units will change equipment during FY 81-83. Construction projects include support for conversions to A-10's at Barksdale AFB, Louisiana; F-4's at Tinker AFB, Oklahoma; and C-130's at Greater Pittsburgh IAP.

The Air Force Reserve has, over the years, made maximum use of existing facilities. With more modern, sophisticated aircraft and increasing missions, some of these existing facilities must be replaced by new construction. Opportunities for joint construction have been investigated in each case, and two joint Air National Guard projects are included in this year's request.

While the FY 1982 MCP request is sizably larger than the FY 1981 program, it is tied directly to essential mission facility needs. Of the $28.5 million authorization requested, $25.8 million is for aircraft and weapon system maintenance facility projects and for operational and training facilities.

These mission essential facilities are a basic factor in retaining and training the highly professional personnel that make the exceptional readiness of the Air Force Reserve possible. We seek your continued support in meeting these needs.

This concludes my remarks. Thank you for the opportunity to appear before this committee.

National Guard Association of the United States

STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF (RET.), EXECUTIVE VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

TOTAL FORCE CONCEPT

Senator Sasser. General Greenlief.

General Greenlief. Mr. Chairman, I appreciate this opportunity to present the views of our membership on military construction for the National Guard.

My summary is timed at 4 minutes.

In August of 1970 Melvin Laird, then Secretary of Defense, announced the total force concept as an important part of national defense policy. He announced that many active Army and Air Force units would be inactivated and that the wartime mission of those active units would be passed to the National Guard and Reserves.

Although the stated purpose of this increased reliance on Guard and Reserve was to reduce defense expenditures, the Secretary of Defense gave specific guidance to the Service Secretaries requiring them to provide resources to the Guard and Reserves to permit them to accomplish their mission.

Included in that guidance was this statement, and I quote:

> Implement the approved ten-year construction program for the Guard and Reserves, subject to their accommodation within the currently approved TOA, with priority to facilities that will provide the greatest improvement in readiness levels.

After 10 years of Total Force policy planning, programing, and financing, the Army Guard provides more than 50 percent of the Army's deployable combat forces. The Air National Guard provides equally high percentages of the combat forces of the Air Force.

Also after 10 years the Army Guard military construction backlog stands at $740 million and the Air Guard military construction backlog stands at $490 million.

The Congress has generously added authority and funding for National Guard construction to that included by a series of administrations in their budget requests, and yet the backlog continues to grow.

Mr. Chairman, we fully support the fiscal year 1982 appropriation request of $47 million for the military construction Army Guard program and $89.1 million for military construction Air National Guard.

We strongly support the fiscal year 1981 Air Guard supplemental request of $6.5 million for Barnes Municipal Airport and for four other projects. These projects are urgently needed to maintain Air Guard readiness.

We have recommended that additional authorization of $16 million be provided for Army Guard construction. At tab A of my full statement there is a list of projects that are urgently needed. The status of design of these projects meet DOD criteria for submission to the Congress. All other DOD criteria for submission to Congress are met by these projects except for fund availability in the fiscal year 1982 budget request and with the exception of the armory project at Stillwater, Okla.

At tab B is a list of 32 urgently needed Air Guard projects for which design work will be completed by June 30, 1981. The total cost of these projects is estimated to be $55.3 million. These projects can be placed under contract in fiscal year 1982 if authorized and funded.

We have urged consideration of these additional projects for additional authorization. I am pleased to point out that the House in its fiscal year 1982 DOD authorization bill has included an add-on of $16 million for military construction Army Guard and $29 million for military construction Air Guard.

KC-135 REENGINING PROGRAM

Mr. Chairman, I appreciate very much your comments earlier on and in support of the KC-135 reengining program which is a very high priority program of the National Guard Association.

Mr. Chairman, we are appreciative of the support of your committee, that support which you have provided for the National Guard military construction program. Your actions have improved the readiness of the National Guard.

I will be pleased to attempt to answer your questions.

Senator SASSER. Thank you, General.

PREPARED STATEMENT

[The prepared statement of Maj. Gen. Francis S. Greenlief follows:]

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

STATEMENT BY

MAJOR GENERAL FRANCIS S. GREENLIEF (RET.)

EXECUTIVE VICE PRESIDENT

Mr. Chairman, and members, I am Major General (Retired) Francis S. Greenlief, Executive Vice President of the National Guard Association of the United States. I appreciate this opportunity to present the views of our membership on military construction for the National Guard.

GENERAL

In August of 1970, Melvin Laird, then Secretary of Defense, announced the Total Force Concept as an important element of national defense policy. He announced that many Active Army and Air Force units would be inactivated and that the wartime missions of those Active units would be passed to the National Guard and Reserves. Although the stated purpose of this increased reliance on the Guard and Reserves was to reduce defense expenditures, the Secretary of Defense gave specific guidance to the Service Secretaries, requiring them to provide resources to the Guard and Reserves to permit them to accomplish their missions. Included in this guidance was this statement:

"Implement the approved ten-year construction programs for the Guard and Reserves, subject to their accomodation within the currently approved TOA, with priority to facilities that will provide the greatest improvement in readiness levels."

After ten years of Total Force Policy planning, programming, and financing, the Army National Guard (ARNG) provides more than 50 percent of the Army's deployable combat forces. The Air National Guard (ANG) provides:

- 65 percent of Air Force air defense fighter interceptors.
- 57 percent of Air Force tactical reconnaissance aircraft.
- 30 percent of Air Force tactical airlift aircraft.
- 27 percent of Air Force tactical fighter aircraft.
- 17 percent of Air Force strategic tanker aircraft.

Also after ten years, the ARNG military construction backlog stands at

$740 million (end FY81), and the ANG military construction backlog stands at $490 million (end FY82).

PROGRAM EXECUTION

During FY80, the ARNG obligated 80 percent of its available appropriation carrying over $5 million to FY81. The ARNG obligation target for FY81 is $44.8 million. This program can be fully obligated leaving only a carryover of $2.4 million to FY82.

The ANG has obligated 77 percent of its FY80 construction program, and expects to obligate 85 percent of its FY81 program by 30 September 1981. These obligation rates permit a carryover into succeeding years which is minimal, but facilitates year round construction planning and execution.

Although program execution by the National Guard Bureau and the States is exemplary, the construction backlog continues to grow.

The Congress has generously added authority and funding for National Guard construction to that included by a series of Administrations in their budget requests, and yet the backlog continues to grow. What is needed is an annual construction program for the Army and Air Guard which provides authority and funding each year which exceeds the amount of inflation growth by at least ten percent.

FY82 APPROPRIATION REQUEST

ARNG

The FY82 Department of Defense (DoD) budget requests authorization of $41.5 million for Military Construction ARNG. This program will permit construction of 23 armories and 36 non-armory facilities in 29 States and the Virgin Islands. The $47 million appropriation requested will support the authorization requested as follows:

	Estimated Federal Contribution ($M)
23 Armory Projects	$17.0
36 Non-armory Projects	24.5
Minor Construction	4.0
Planning	1.5
	$47.0

ANG

The FY82 DoD budget requests authorization of $78.7 million for Military Construction ANG. This program will permit construction of 51 projects at 34 locations in 29 States. The $89.1 million appropriation requested will support the authorization requested as follows:

	Estimated Federal Contribution ($M)
15 Operations Projects	$21.65
17 Maintenance Projects	34.27
5 Training Support Projects	14.56
10 General Support Projects	7.04
4 Energy Conservation Projects	1.2
Minor Construction	5.0
Planning	5.4
	$89.1

FY81 ANG SUPPLEMENTAL REQUEST

We strongly support the FY81 ANG Supplemental Request of $6.5 million for Barnes Municipal Airport, Massachusetts, and four other projects. These projects are urgently needed to maintain ANG readiness.

RECOMMENDIATIONS FOR ADDITIONAL APPROPRIATION

ARNG

We have recommended that additional authorization of $16.08 million be provided for ARNG construction. At TAB A is a list of projects that are urgently needed. The status of design of these projects meet DoD criteria for submission to Congress. All other DoD criteria for submission to Congress are met by these projects except for fund availability in the FY82 budget request, with the exception of the armory project at Stillwater, Oklahoma.

DoD has disapproved construction of an armory at Stillwater, Oklahoma, on the basis that joint construction with the United States Army Reserve would save money. Information furnished by the Adjutant General of Oklahoma demonstrates that unilateral construction would save $182,300 compared to the cost of joint construction. A copy of that information is included in TAB A.

ANG

The DoD-requested FY82 ANG military construction program represents a significant increase over past years. We are appreciative of Air Force and DoD recognition of the importance of an adequate ANG military construction program. However, many urgently needed projects will remain unfunded in FY82.

At TAB B is a list of 32 urgently needed projects for which design work will be completed by 30 June 1981. The total cost of these projects is estimated to be $55.3 million. These projects can be placed under contract in FY82 if authorized and funded. We have urged consideration of these projects for additional authorization.

We urge that your subcommittee recommend appropriations which will support the full authorization as it is reported out by the Committee on Armed Services.

SUMMARY

Mr. Chairman, we are appreciative of the support your committee has provided for the National Guard military construction program. Your actions have improved the readiness of the National Guard.

I will be pleased to attempt to answer your questions.

TAB A

URGENTLY NEEDED ARNG CONSTRUCTION PROJECTS
FOR WHICH NGAUS RECOMMENDS AUTHORIZATION
AND APPROPRIATIONS BE ADDED FOR FY82

STATE	LOCATION	PROJECT	DESIGN	CWE($000)
AL	Fayette	200 Person Armory	F	(652)
AR	Fayetteville	Armory Addition	P	(380)
AR	Camp Robinson	Utilities Upgrade	P	(441)
CT	Southington	OMS	F	(340)
CT	Southington	Armory Parking	F	(31)
IL	Springfield	600 Person Armory	F	(2,432)
MA	Camp Edwards	BKS/Tank Tables/Ranges	P	(736)
MI	Camp Grayling	Ammo Storage	P	(1,500)
MI	Camp Grayling	Access Road	P	(120)
NY	Fort Drum	Cantonment Renovation	F	(971)
OK	Atoka	150 Person Armory	P	(655)
OK	Bartlesville	100 Person Armory	P	(560)
VT	Camp Johnson	USPFO Addition (Ph 2)	P	(175)
AL	Vernon	100 Person Armory	P	(449)
AZ	Kingman	Armory Addition	P	(587)
AZ	Sunnyslope	Armory Addition	P	(709)
GA	Springfield	Armory Addition	P	(182)
MI	Camp Grayling	Logistic Facility	P	(2,041)
OK	Tahlequah	100 Person Armory	P	(570)
MI	Muskegon	200 Person Armory	F	(698)
MI	Muskegon	MVSB	F	(891)
MI	Muskegon	OMS	F	(201)
OK	Stillwater	150 Person Armory	P	(754)
		TOTAL		$16.075 Million

STATE OF OKLAHOMA
Military Department
3501 Military Circle N.E.
Oklahoma City, Oklahoma 73111
405-427-8371 Autovon 883-3720

OK-FAC

9 March 1981

SUBJECT: Stillwater, Oklahoma National Guard Armory

Mr. Fred Aron
Chief, Army Installations Division
Aberdeen Proving Ground, MD 21010

1. This memo will readdress the cost figures for unilateral construction versus joint construction for a new armory for the National Guard in Stillwater. The figures for the reorganized unit represent the current authorized strength and address the question of building a new armory or adding on to the present USAR building.

2. The 1/170 Inf Bn of the 45th Inf Bde has authorized strength of 133 people. The construction cost currently used by the Corp of Engineers for new construction is $56.23 per sq ft and add on construction on Corp of Engineers jobs runs as high as $70.00 per sq ft. For this estimate we have reduced these figures to $32.00 per sq ft for new National Guard construction and $49.00 per sq ft for add on construction. The construction figures are as follows:

Schedule I	Unilateral Construction	Const Cost	Addl Joint Expansion	Cost
Assembly Hall	6300 SF	201.6	2986 SF	146.3
Rifle Range	2300 SF	73.6	2300 SF	112.7
Class Room	1000 SF	32.0	Use Existing	
Library-Classroom	250 SF	8.0	250 SF	12.3
Learning Center	250 SF	8.0	250 SF	12.3
Administrative	800 SF	25.6	800 SF	39.2
Locker Room	1500 SF	48.0	1500 SF	73.5
Training Aids Storage	140 SF	4.5	140 SF	6.9
Unit Storage	1930 SF	61.8	1930 SF	94.6
Food Storage	125 SF	4.0	125 SF	6.1
Food Preparation	300 SF	9.6	140 SF	7.0
Scullery	140 SF	4.5	140 SF	7.0
Toilet and Showers	500 SF	16.0	154 SF	7.6
Public Toilets	200 SF	6.4	101 SF	5.0
Fac Maint	300 SF	9.6	272 SF	13.3
Mechanical	500 SF	16.0	500 SF	24.5
Flammable Mat Storage	120 SF	3.8	120 SF	5.9
SUBTOTAL	16655 SF	533.0	11700 SF	674.2

Schedule II	Unilateral Construction	Const Cost	Addl Joint Expansion	Cost
Bn Supply	1000 SF	32.0	1000 SF	49.9
Bn Offices	1500 SF	48.0	1500 SF	73.5
Army Advisor Off	230 SF	7.4	230 SF	11.3
SUBTOTAL	2730 SF	87.4	2730 SF	133.8
TOTAL I & II	19385 SF	620.4	14430 SF	708.0
Est Circulation (15%)	2908 SF		2165 SF	
Est Wall Space (10%)	2229 SF		1659 SF	
TOTAL	24522 SF	784.7	18254 SF	894.4

SUPPORTING FACILITIES:

Site Preparation		7.0		7.0
Grading and Seeding				
Planting		10.0		10.0
Fencing			Use Existing	
Parking MPV	1950 SY	20.5	1950 SY	20.5
POV	3836 SY	40.3	2209 SY	23.2
Flag Pole	1 each	2.0	Use Existing	
Utilities		7.0	Expand Lagoon	30.0
Sidewalks		4.0		4.0
Fuel Dispensing System		9.0		9.0
SUBTOTAL		897.1		1011.0
CONTINGENCY (5%)		44.8		50.5
TOTAL COST		941.5		1061.5
Architect-Engineer Fees Paid		32.6		32.6
Addl A&F if Joint Constr				62.3

Total Project Cost Unilateral - $974.1 Joint - $1156.4

This represents a savings of $182,300 by building a separate facility for the Stillwater Armory.

FOR THE COMMANDER IN CHIEF:

/s/ Robert M. Morgan
ROBERT M. MORGAN
MG (OK), AGC, OKARNG
The Adjutant General

TAB B

URGENTLY NEEDED ANG CONSTRUCTION PROJECTS FOR WHICH NGAUS REQUEST CONSIDERATION FOR ADDITIONAL AUTHORIZATION AND APPROPRIATIONS TO BE ADDED FOR FY82

STATE	BASE	PROJECT	CWE
AL	Birmingham MAP	Alter Support Equipment Shop	580
AL	Birmingham MAP	Electrical Distribution System	520
AL	Dannelly Field	Operations & Training Facility	1,200
AL	Martin ANGS (Gadsden)	Support Equipment Shop	540
DC	Andrews AFB	Weapons & Release Systems Shop	1,430
DC	Andrews AFB	Fuel System Maintenance/Corrosion Control Dock	1,380
GA	Hunter Army Air Field	Communication-Electronics Training Facility	1,520
GA	Savannah MAP	Fuel System Maintenance/Corrosion Control Dock	2,670
IL	Chicago-O'Hare IAP	Fuel System Maintenance/Corrosion Control Dock	3,200
IA	Des Moines MAP	Multipurpose Operations/Maintenance Facility	3,900
IA	Sioux City MAP	Munitions Maintenance/Storage Facility	910
MN	Duluth IAP	Combined Telecommunication Center/ Weapons System Security Flight Facility	1,000
MN	Minneapolis-St. Paul IAP	Base Supply & Equipment Warehouse/ Comptroller	3,100
MN	Minneapolis-St. Paul IAP	Aerial Port Training Facility	1,000
NV	Reno IAP	Telecommunications Center	560
NJ	Atlantic City NAFEC	Operations & Training/Medical Training & Administration/ Dining Hall	3,140
NM	Kirtland AFB	Fuel System Maintenance/Corrosion Control Dock	1,300
NM	Kirtland AFB	Base Engineer Maintenance Facility	1,000
NY	Schenectady MAP	Telecommunications Center	560
PA	Harrisburg IAP	Composite Squadron Operations/Telecommunications Center	2,900
TN	McGhee-Tyson Airport	Operations & Training Facility	2,120
TN	McGhee-Tyson Airport	Composite Squadron Operations	2,320
TN	Memphis IAP	Fuel System Maintenance/Corrosion Control Dock	2,800
TN	Memphis IAP	Jet Fuel Operating Storage/POL Operations Facility	1,250
TN	Memphis IAP	Composite Squadron Operations	2,000
TN	Nashville MAP	Fuel System Maintenance/Corrosion Control Dock	2,800
TX	Dallas NAS	Fuel System Maintenance/Corrosion Control Dock	2,800
TX	Ellington AFB	Alter Hangar for Avionics	450
TX	Ellington AFB	Automotive Maintenance/Refueling Vehicle Shop	1,210
TX	Kelley AFB	Fuel System Maintenance/Corrosion Control Dock	1,300
VA	Byrd Field	Base Engineer Maintenance Facility	1,050
WV	Eastern WV Regional Airport (Martinsburg)	Fuel System Maintenance/Corrosion Control Dock	2,800
		TOTAL	$55,310 Million

BIOGRAPHY

MAJOR GENERAL FRANCIS S. GREENLIEF (Ret.)

Major General Francis S. Greenlief joined the staff of the National Guard Association of the United States in September 1974, after retiring as Chief, National Guard Bureau on 1 July 1974. He was appointed the Executive Vice President of the 48,000-member Association in September 1975.

General Greenlief was born in Hastings, Nebraska on 27 July 1921. He completed high school there and enrolled in the University of Nebraska in 1939 to study business administration.

He enlisted in Company G, 134th Infantry, Nebraska National Guard in Hastings on 5 July 1940, and was ordered to active duty with his unit on 23 December 1940 as a corporal. At the time of his entrance to Infantry Officer Candidate School in May 1942, he was Acting First Sergeant of the same Company.

General Greenlief was graduated from Officer Candidate School and was commissioned a second lieutenant, Infantry, on 25 August 1942. He served as Platoon Leader and Commanding Officer, Company L, 134th Infantry in the European Theater of Operations from May 1944 until August 1945, participating in the Normandy, Northern France, Rhineland, and Ardennes Campaigns. He was released from active duty on 5 January 1946.

On 3 November 1947, General Greenlief rejoined the Nebraska National Guard as Commanding Officer, Company G, 134th Infantry. He subsequently served as S-3 of the 134th Infantry Regiment, acting Assistant Adjutant General of Nebraska, G-4 of the 34th Infantry Division and Division Chief of Staff. He was promoted to colonel on 1 July 1957.

As a colonel, he was ordered to active duty from the Nebraska Army National Guard and assigned as Executive Officer, Army Division, National Guard Bureau on 1 January 1960. He was appointed brigadier general and designated Assistant Chief (Army), National Guard Bureau, on 3 November 1962.

General Greenlief was appointed as Deputy Chief, National Guard Bureau, on 14 September 1963 and was promoted to major general on 9 February 1965. On 13 September 1967, he was extended for an additional four-year term. On 20 April 1970, he was appointed Director, Army National Guard in addition to his duties as Deputy Chief, National Guard Bureau.

CONCLUDING REMARKS

Senator **Sasser**. We may have some questions which we would like to submit to both of you later, but I think we have pretty well covered it and I am under some time constraints today.

I want to thank all of our witnesses for appearing here this morning, both from the Defense Department and our outside witnesses, and for your excellent presentations and for expressing your concerns about the construction request before this subcommittee for the Guard and Reserve Forces.

As I said earlier, I think funds that we expend for the Guard and for our Reserve Forces are some of the best defense dollars that we spend. We have got to be very careful I think of talking about putting burdens on the Reserve and on the Guard and not giving them the financial resources to carry out the missions which are assigned to them.

I want to assure both of you gentlemen that I strongly support the activities of our Reserves and of our National Guard and think that they have a very vital and continuing and I think expanded role to play in our national defense in the coming years.

Thank you for appearing here this morning.

SUBCOMMITTEE RECESS

At this time the subcommittee is going to stand in recess, subject to the call of the Chair.

[Whereupon, at 11:15 a.m., Monday, May 18, the subcommittee was recessed to reconvene at the call of the Chair.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1982

TUESDAY, JULY 14, 1981

U.S. SENATE,
SUBCOMMITEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2:30 p.m. in room 1223, Everett McKinley Dirksen Senate Office Building, Hon. James Sasser presiding.

Present: Senator Sasser.

DEPARTMENT OF DEFENSE

INSTALLATIONS AND HOUSING

STATEMENT OF PERRY J. FLIAKAS, DEPUTY ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND HOUSING)

ACCOMPANIED BY:

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- **COL. LEON K. PFEIFFER, U.S. AIR FORCE, DIRECTOR, NATO DEFENSE POLICY**
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- **COMDR. WILLIAM HARPER, DEPARTMENT OF DEFENSE (INSTALLATIONS AND HOUSING)**
- **COMDR. JEFFREY L. BROWN, U.S. NAVY, EUROPEAN DIVISION, JCS-5**

BUDGET REQUEST

Senator SASSER. The subcommittee will come to order.

Gentlemen, I apologize for delaying you this afternoon. We had a floor vote and some business that had to be disposed of on the floor of the Senate. That is the reason for the delay.

Today we will receive testimony on fiscal year 1982 requests for military construction in Europe. Our subcommittee will consider a request of approximately $1.1 billion which incudes the U.S. share of the NATO infrastructure program in the amount of $385 million.

Now this request amounts to about 20 percent of the overall military construction requests for fiscal year 1982. The subcommittee continues to be interested in the growth of the military construction program and is especially interested in programs which provide the United States with assistance in the construction.

INTRODUCTION OF WITNESSES

Our primary witness today is Mr. Perry J. Fliakas, Deputy Assistant Secretary of Defense for Installations and Housing. He is accompanied as I understand it by Lt. Gen. Richard H. Groves, the Deputy Adviser on NATO Affairs and Maj. Gen. Richard D. Bowman, Director of European and NATO Affairs in the Office of International Security Policy.

On behalf of our chairman I would like to welcome each of you gentlemen as well the various representatives from the services and the Office of the Secretary of Defense.

COMMITMENT TO NATO

Just let me say that our most important security obligation remains our commitment to the North Atlantic Treaty Alliance. I am very concerned with the systematic buildup of Soviet and Warsaw Pact military capabilities in Europe. It is clear that the threat to security in Europe is growing with each passing day.

We have a great challenge before us. We must maintain the military balance and improve our own capability. Should we fail to recognize the growing potential threat not only of the military buildup but the political strains on the Alliance itself, we will find this deteriorating condition will only lead to economic and political unrest during peacetime and could lead to disaster should a conflict arise.

This subcommittee is committed to the improvement of our NATO capabilities. We are committed to maintaining the proper and necessary military balance in Europe.

Mr. Fliakas, I believe we will begin with your statement followed by a briefing on the NATO infrastructure program and how it works. We will also discuss the so-called master restationing plan which involves shifting U.S. forces closer to the border with Eastern Europe.

It may be necessary as I understand it to go into executive session at the end of the hearing. At that point I will make the appropriate motion and have the room cleared except for authorized personnel.

So Mr. Fliakas, if you are ready, please begin.

Mr. **Fliakas**. Thank you, Mr. Chairman. There is one correction, sir, with respect to our witness list. General Bowman was unable to come this afternoon. His deputy, Colonel Pfeiffer, is here in his stead.

Also, on my right is Gen. Ed Honor representing the Office of the Joint Chiefs of Staff. In addition, seated at the far right is General O'Shei, the Director of Construction in my office.

PREPARED STATEMENT

Senator **Sasser**. Welcome gentleman. Before we begin, the prepared statement of Mr. Fliakas will be inserted in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF PERRY J. FLIAKAS
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(INSTALLATIONS AND HOUSING)

Mr. Chairman and Members of the Committee:

I am pleased to be here today to present the FY 1982 Department of Defense request for construction in Europe. The request totals $1.095 billion, of which $385 million is for the United States' share of the NATO Infrastructure Program. By major construction categories, the FY 1982 Program is composed as follows:

Construction Category	($000) Army	Navy	Air Force	Defense Agencies	NATO Infra-structure	Total
Operational/Training Facilities	42,180	5,200	218,764	----	---	266,144
Maintenance Facilities	121,350	12,350	4,140	----	---	137,840
Supply Facilities	14,690	----	4,060	1,480	---	20,230
Medical/Administrative Facilities	38,350	2,800	2,400	900	---	44,450
Housing/Community Facilities	132,430	13,715	24,370	42,020	---	212,535
Utilities/Energy Conservation/Pollution Abatement	23,800	920	3,780	----	---	28,500
Various	---	----	---	----	385,000	385,000
Total	372,800	34,985	257,514	44,400	385,000	1,094,699

As I did last year, I have elected to address the Department of Defense military construction needs in Europe as a separate statement for three important reasons. First, this Committee as well as the other Congressional Committees dealing with construction have indicated a great deal of interest in our European program and methods of financing. Excluding Family Housing, the amount requested for construction authorization in Europe is 24 percent of the total FY 1982 authorization request. Second, the relationship of U.S. funded military construction to the NATO Common Infrastructure program is complex and sometimes difficult to understand without a full explanation of their interaction. Finally, we must have an adequate construction program in Europe if the United States and NATO are to realize the full benefits of the defense and deterrence which programmed levels of forces and equipment and our readiness initiatives should provide. The Secretary of Defense has directed a comprehensive analysis of our construction effort in Europe to ensure that it solidly supports national military objectives. Thus, we believe the European slice of our construction program needs, and deserves, special attention.

I have spoken to the linkage between the U.S. military construction programs and those of NATO within the NATO Infrastructure program. As this Committee well understands, Mr. Chairman, the requirement for facilities derives from operational decisions affecting troops, weapon systems, and equipment. For example, the decision to preposition division equipment in Europe in support of rapid reinforcement has triggered a considerable increase in the requirement for storage and maintenance facilities and will result in a significant outlay of funds through the NATO common Infrastructure Program. The decision to deploy the ground-launched cruise missile (GLCM) and PERSHING II as part of theatre nuclear force modernization in Europe gives rise to a broad range of facilities requirements, some of which we plan to fund through NATO Infrastructure and others, like logistic and community facilities which we accept as a national responsibility, through the Military Construction Program.

Failure to recognize this close linkage between forces and facilities in our planning and budgeting process can mean costly delays and program adjustments. More important, it degrades military readiness. We are now implementing a comprehensive program for improving the planning, programming and execution of construction in Europe. We have set up a systematic review of U.S. and NATO procedures in order to streamline the programming and execution process and thus improve our ability to meet the facility needs of the Major NATO Commanders (MNC). Consolidated programming and budgeting procedures have been applied in two review cycles and our U.S. European Commanders have been brought more directly into project development and priority-setting.

As we seek ways to improve the management of our European programs, we also have very much in mind our obligation to keep the Congress informed and involved. For example, some organizational changes that I have recently been able to make will allow us to better keep the Committees currently and fully briefed on the NATO Infrastructure system and developments in the NATO programs.

We also remain sensitive to the view of Congress that we should try to fund more of our wartime operational facilities' needs through NATO Infrastructure. This is part of the broader Congressional concern over what is viewed as a need for equitable burdensharing.

A feature of the current five-year Infrastructure Program is the recently approved category of projects called "Reinforcement Support." These projects include storage for prepositioning equipment for theatre reserves, and reception airfields and ports, which are the principal and essential link between NATO Infrastructure and U.S. policy on rapid reinforcement. These projects, many of them high-cost, are financed through Infrastructure cost-sharing by our Allies. Their total value could reach $1 billion in the period 1980 - 1984. This linkage between U.S. reinforcement planning and commitment on the one hand and Allied investment on the other illustrates the progress we have made to secure common funding under NATO.

As I have mentioned, we share the Congressional desire that to the maximum extent feasible, our construction needs in Europe which are in support of NATO operations be met through Infrastructure funding. As you may be aware there are 13 well-defined approved categories with strict criteria under which all the member nations have established guidance for funding. Only those projects that support NATO operational plans with NATO assigned forces, possess a high degree of common interest including availability for use by all NATO forces during warfare, and conform to NATO-approved standards are eligible for Infrastructure funding. With these restrictions, it is not possible to achieve NATO funding for all needed facilities on the grounds that since our troops are there to help defend NATO, they should be paid for by the Infrastructure account. There are many reasons for unilaterally funding facilities in Europe such as (1) those of a logistics or personnel support nature which have been established as a national funding responsibility; (2) facilities that are required for peacetime administration or training functions; (3) when flexibility is required, and it is not practical to assign aircraft exclusively to the NATO theater; (4) when strictly U.S. functions are planned in a facility that would be needed in a European conflict and (5) considering the limited number of U.S. forces and the percentage contribution to the Infrastructure program, it would not be in our economic interest to pursue NATO funding.

I cite these conditions for NATO funding, because in the past there have been some instances where military construction funds were denied for facilities with the admonition that NATO should fund them. A dilemma resulted when we turned to the NATO arena for funding, to find that the facilities in question were not eligibile for NATO common funding. This predicament of having facility requirements that both the Department of Defense and Congress acknowledge are urgently needed with no available funding source is beginning to have a serious impact on our ability to provide adequate facilities to support our forces deployed in, or committed to Europe.

Mr. Chairman, the NATO Infrastructure program was designed to furnish wartime operational facilities with funding policies based upon the unanimous consent of 14 Allied nations, and for which current requirements greatly exceed available resources. If the U.S. is directed to seek NATO funding for projects known by the Department of Defense to be ineligible for Infrastructure funding, the results are easily predictable. Our U.S. military personnel will continue to live in crumbling dormitories, work in obsolete maintenance shops, and receive ineffective and inadequate training. I am greatly concerned over this growing problem, and I urgently ask that the Committee ponder this issue very carefully. It should be remembered that the stationing of U.S. troops in Europe is in our national interest and central to U.S. foreign policy. While increasing attention must be given to burdensharing, this is of necessity, better pursued on the political or diplomatic front, rather than through military budget applications.

Now the U.S. has deployed major Army forces in Europe at installations that are small, scattered, and most of which were built prior to World War II. Recognizing the need to deal simultaneously with inadequate facilities, and malpositioning, the U.S. Army in Europe developed a plan to manage force modernization, stationing and other readiness initiatives in Germany. We conducted a series of briefings on this plan for all interested Congressional Committees and Congressional staff personnel during 1980. It was, I believe, well-received. This long-range plan serves two purposes: first to provide the management framework, within which decisions are made to establish priorities for modernization of facilities and for stationing new or reorganized units; and secondly to provide a roadmap for the relocation of units already in Europe. USAREUR's construction programs since FY 1980 have been consistent with this plan.

The ultimate objective of the plan is to consolidate units in modern brigade-sized installations, located close to general defensive positions thereby achieving improved readiness, economies in base operation and increased efficiencies in command and control. Additionally, there is a potential for avoiding costs by not having to accomplish the backlog of maintenance and repair at the vacated installations.

The United States government has initiated discussions with the German authorities to develop the process by which the plan can be implemented. We feel strongly that Congress should support this plan to include necessary U.S. financing for the first phase which will result in significantly improved readiness at modest annual cost.

Against this background I will now provide some specifics on our FY 1982 program and its content. Let me say at the outset that we have been prodding our Allies, and the Infrastructure system, to increase the size of the annual common-funded programs and to accelerate the rate of implementation. We have had an encouraging measure of success on both counts. The first two slices in the current five-year program -- Slices 31 and 32 -- will account for about $2.1 billion of the $4.0 billion approved by the Alliance for the period 1980 - 1984. This "front-end loading" ensures that high priority projects will get early attention.

I can, in fact, report that these two Slices will provide approximately $320 million for reinforcement support facilities I referred to earlier, essentially all for use by U.S. forces. There is, in addition, substantial funding for other categories of U.S. forces projects such as airfields and missile sites. So we are making tangible progress in getting more of our U.S. requirements in Europe covered by the Infrastructure common fund.

We have also seen the rate of project authorization (U.S. obligation) rise steadily over the past two to three years. As the backlog of approved Infrastructure projects is reduced, we expect that within a year or two, project authorizations will approximately coincide with the rate of programming. We have a high degree of confidence in the Appropriation request of $385 million for FY 1982 in that it reflects this experience and will be required to meet our commitment for the U.S. share or contribution to the NATO Infrastructure Program. It further reflects the amount required at the increased level of programming which the United States sponsored in 1979 and which is now beginning to produce requests for fund authorizations. An important feature of that May, 1979 Ministerial decision on the five year, 1980 - 1984 program was the agreement to a mid-term review of program status and possible losses due to inflation. In the face of Afghanistan and the Middle East crisis, the U.S. urged an accelerated review and did receive agreement to a formal request of the MNCs for what is now called "The Case for Additional Funding." The MNC request, which reached the NATO Military Committee last July, was for an additional $3 billion, including $250 million for Supreme Allied Commander, Atlantic. Although the timing for the review has not been finalized, we are looking toward the end of this calendar year to address this issue.

Another important item of interest to this Committee is the amount of outstanding recoupment which remains from previously prefinanced projects. In the FY 1982 program the Air Force is requesting $24 million for mission essential facilities at collocated operating bases (COB). These projects are eligible for NATO funding, but with the small amount of funds remaining in this slice group, construction of these important projects would not receive MNC approval until some time beyond 1985. As I have mentioned in prior years, the Department of Defense will limit prefinancing to only those projects which are of such operational urgency, that it would be essential to unilaterally prefinance them rather than await the long planning and programming procedure associated with the NATO Infrastructure program. I believe that we have made considerable progress in reducing the overall total of potential recoupments for prior year prefinanced projects. In FY 1980, for example, the United States recouped $48 million, bringing the cumulative total to over $230 million. All of these amounts have been reapplied to authorization for the U.S. contribution to the NATO Infrastructure Program. Through the end of May 1981, another $40 million has been recouped this fiscal year. The recoupment amount for FY 1981 stands at 80 percent of the $50 million required to compensate for the difference between the FY 1981 authorization of $300 million and the associated appropriation of $250 million. Current projections indicate that the entire $300 million will be required to meet the U.S. share of the Infrastructure program this year and I am confident that the remaining funds will be recouped when required to meet the United States' need. Further, because of the concerted and dedicated effort of the Services to reduce their outstanding recoupments, we have reduced our FY 1982 NATO Infrastructure Appropriation request $40 million from the Authorization request with the intention of obtaining these funds through recoupment. In the future, based on our success in achieving recoupments in the current fiscal year, we will reduce our budget request as appropriate. It should be noted, however, over $150 million of prefinanced projects have not yet been programmed in an approved slice by the Major NATO Commanders. It is probable that many of these remaining projects which are primarily for shelters for post M-Day aircraft will not be programmed in this slice group because of the competition for scarce resources. I believe that our success in obtaining recoupment of prefinanced projects gives us the credibility to warrant the necessary programming of prefinanced projects, if and when required.

The U.S. has been very successful in obtaining concurrence for expanding the critera under which projects become eligible for NATO Infrastructure funding. The U.S. benefits from almost 50 percent of the funds expended by NATO for projects in support of individual nations while contributing about 27.4 percent of the costs. I submit, Mr. Chairman, that this is a good deal and deserves our strongest support. But as I previously stated there are many vital requirements that must be funded unilaterally by the U.S.

The specifics of justification for each project will be addressed in more detail by each Military Department representative, but I would like to highlight the content of the U.S. funded military construction program in Europe. In addition, there is appended to my statement, a table that shows the program by country and by Service.

In Germany, where the largest construction effort is centered, the program provides for construction totaling $398 million. $162 million is required by the Army to field increased war fighting capability including several improved intelligence systems, the Multiple Launch Rocket System and the PATRIOT Air Defense System. While operational and training facilities are accorded the highest priority, a substantial amount of the construction requested would improve and modernize living and working facilities for troop units. I have visited many of our overseas installations, including some of the remote sites, and I commend to you to do likewise. We must recognize the deplorable living and working conditions which we are asking our military members to endure and do all we can to alleviate them. Some $171 million of the Army's request is devoted to improvement of barracks, medical and community facilities.

For the Air Force in Europe, the total of construction requested is $258 million. A major portion of their program is for base support facilities for the GLCM in the United Kingdom and Italy. At Greenham Common, the United Kingdom, there are a number of buildings that are being upgraded including dormitories, warehouses, a theater and a chapel. In Italy, we are starting from virtually a bare base, and the Air Force will require essentially the full range of construction that any base would require. Other significant items in this request are RDF facilities at Lajes, Azores, hardened logistics facilities and chemical warfare protection additions to existing facilities.

The Navy's program for the European area is $35 million. Fifty percent of this amount is for essential facilities for the Central Mediterranean base at Sigonella, Sicily. The Navy also continues to upgrade its facilities in Iceland, and the FY 1982 request includes $7 million for that purpose. Other Navy projects are in Greece, Spain, Scotland, and the United Kingdom.

Additionally, to support the children of dependent families stationed with forces in Europe, the DoD Dependent Schools has programmed six schools at a total estimated cost of $42 million. Another project is for the Defense Communications Agency at Patch Barracks, Stuttgart, Germany, for $900 thousand, to expand an existing building in order to accommodate a new mission assigned to the Agency. Finally the Defense Logistics Agency has a covered storage project at Kaiserslautern, Germany, for $1.5 million.

In summary, Mr. Chairman, this is a highly synopsized description of the Department of Defense FY 1982 program for construction in support of U.S. forces in Europe.

As stated at the outset, we have carefully examined total construction needs in Europe to determine which are in the U.S. interest to finance within the NATO Infrastructure Program, and we are taking positive steps to provide them through that procedure. We have affirmed that there are some facility needs which are essential, but which cannot or should not be financed by NATO Infrastructure. In those cases the DoD requests authorization and appropriation as a U.S. responsibility.

This concludes my remarks on this very important portion of our FY 1982 Military Construction request. I thank you for your consideration and attention.

ADDENDUM TO STATEMENT
BY
PERRY J. FLIAKAS
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(INSTALLATIONS AND HOUSING)
BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION
SENATE APPROPRIATIONS COMMITTEE

FY 1982 European Construction Program
By Country

($ thousands)

	Army	Navy	Air Force	Defense Agencies	Total
Germany	349,450	----	18,280	30,700	398,430
Greece	---	480	800	----	1,280
Iceland	---	6,790	---	----	6,790
Italy	---	17,100	1,540	----	18,640
Netherlands	---	----	4,860	----	4,860
Portugal	---	----	49,570	----	49,570
Scotland	---	3,515	---	----	3,515
Spain	---	4,300	5,390	----	9,690
Turkey	20,800	---	5,160	----	25,960
United Kingdom	---	2,800	26,490	13,700	42,990
Various Locations	2,550	---	145,424	----	147,974
Total	372,800	34,985	257,514	44,400	709,699

CONSTRUCTION IN EUROPE

Mr. **Fliakas**. Mr. Chairman, I am pleased to be here today to present the 1982 Department of Defense request for construction in Europe. Sir, I have a very comprehensive statement that I would like to submit in its entirety for the record. With your permission I will merely highlight it at this time.

Senator **Sasser**. Fine.

Mr. **Fliakas**. As you indicated the request totals $1.1 billion of which $385 million is for the U.S. share of the NATO infrastructure program. By major construction categories the 1982 program is shown on page 1 of my statement.

As I did last year, I have elected to address the Department of Defense military construction needs in Europe as a separate statement for three important reasons. First, this committee dealing with construction has indicated a great deal of interest in our European program and methods of financing. Second, the relationship of U.S. funded military construction to the NATO common infrastructure program is complex and sometimes difficult to understand without a full explanation of their interaction.

Finally, we must have an adequate construction program in Europe if the United States and NATO are to realize the full benefit of the defense and deterrence which programed levels of forces and equipment in our readiness initiatives should provide.

LINKAGE BETWEEN U.S./NATO MILITARY CONSTRUCTION

I have spoken to the linkage between the U.S. military construction programs and those of NATO. The requirements for facilities derives from operational decisions affecting troops, weapon systems and equipment. For example the decision to pre-position division equipment in Europe in support of rapid reinforcement has triggered a considerable increase in the requirement for storage and maintenance facilities and will result in a significant outlay of funds through the NATO common infrastructure program.

Similarly, the decision to deploy the ground-launched cruise missile and Pershing II as part of theater nuclear force modernization gives rise to a broad range of facilities requirements, some of which we plan to fund through NATO infrastructure, and others like logistic and community facilities we accept as a national responsibility through the military construction program.

WARTIME OPERATIONAL FACILITIES FUNDING THROUGH NATO INFRASTRUCTURE

Mr. Chairman, we remain sensitive to the view of the Congress that we should try to fund more of our wartimes operational facilities' needs through NATO infrastructure. A feature of the current 5-year construction program is a recently approved category of projects called reinforcement support. These projects include storage for pre-positioned equipment for theater reserves and reception airfields and ports which are the principal and essential link between NATO infrastructure and U.S. policy on rapid reinforcement.

These projects, many of them high cost, are financed through infrastructure cost-sharing by our allies. Their total value could reach $1 billion in the period 1980 through 1984. This linkage between U.S. reinforcement planning and commitment on the one hand and allied investment on the other illustrates the progress we have made to secure common funding under NATO.

REASONS FOR UNILATERAL FUNDING OF FACILITIES IN EUROPE

As you will hear in our next briefing Mr. Chairman, there are 13 well defined approved categories with strict critieria under which all of the member nations have established guidance for funding. There are many reasons for unilaterally funding facilities in Europe such as: (1) those of a logistics or personnel support nature which have been established as a national funding responsibility; (2) facilities that are required for peacetime administration or training; (3) when flexibility is required and it is not practical to assign aircraft for example exclusively to the NATO theater; (4) when strictly U.S. functions are planned in a facility that would be needed in a European conflict; and finally (5) considering the limited number of U.S. forces and a percentage contribution to the infrastructure program, it would not be in our economic interests to pursue NATO funding.

I cite these conditions for NATO funding because in the past there have been some instances where construction funds were denied for facilities with the admonition that NATO should fund them. A dilemma resulted when we found that the facilities in question were not eligible for NATO common funding. This predicament of having facility requirements urgently needed with no available funding source has a serious impact on our ability to provide adequate facilities to support forces deployed in or committed to Europe.

The NATO infrastructure program was designed to furnish wartime operational facilities with the funding policies based on the unanimous consent of 14 allied nations and for which current requirements greatly exceed available resources. If the United States is directed to seek NATO funding for ineligible projects, the results are easily predictable. Our U.S. military personnel will continue to live in crumbling dormitories, work in obsolete maintenance shops and receive ineffective and inadequate training.

I am greatly concerned over this growing problem and I am pleased to hear your statement early on about that. I urgently ask that the committee ponder this issue very carefully. It should be remembered that the stationing of U.S. forces in Europe is in our national interest and central to U.S. foreign policy. While certainly increasing attention must be given to burden sharing, this is of necessity better pursued on the political or diplomatic front rather than through military budget applications.

SPECIFICS ON FISCAL 1982 PROGRAM

I would like now to provide some specifics on the 1982 program and its concept. We have been prodding our allies in the infrastructure system to increase the size of the annual common-funded program and to accelerate the rate of implementation. We have had an encouraging measure of success on both counts. The first two slices in the current 5-year program will account for about $2.1 billion off the $4 billion approved by the alliance for the 5-year period. This front-end loading assures that high priority projects will get early attention.

These two slices will provide approximately $320 million for reinforcement support facilities, essentially all for use by U.S. forces. There is in addition substantial funding for other categories of U.S. forces projects such as airfields and missiles sites. We are making tangible progress in getting more of our U.S. requirements in Europe covered by infrastructure.

We have a high degree of confidence in the appropriation request of $385 million which is required to meet our commitment for the U.S. share or contribution to NATO infrastructure. It reflects the amount required at the increased level of programing which the United States sponsored and which is now beginning to produce requests for fund authorizations.

CASE FOR ADDITIONAL FUNDING

An important feature was the agreement to a mid-term review of program status and possible losses due to inflation. In the face of Afghanistan and the Middle East crisis, the United States urged an accelerated review and did receive agreement to a formal request of the major NATO commanders which is now called the case for additional funding. This request which reached the NATO military committee was for an additional $3 billion.

RECOUPMENT FROM PREVIOUSLY FINANCED PROJECTS

I know that another important item of interest to this committee is the amount of outstanding recoupment which remains from previously financed projects. The Department of Defense will limit prefinancing to only those projects which are of such operational urgency that it would be essential to unilaterally prefinance them rather than await the long planning and programing procedure associated with the NATO infrastructure program. We have made considerable progress in reducing the overall total potential recoupments for prior year prefinanced projects.

In 1980 the United States recouped $48 million bringing the cumulative total to over $230 million. All of these amounts have been reapplied to authorization for the U.S. contribution. Through May of this year another $40 million has been recouped.

It should be noted however that over $150 million of prefinanced projects have not yet been programed. It is probable that many of these remaining projects will not be programed in this slice group because of the competition for scarce resources. I believe however that our success in obtaining recoupment gives us the credibility to warrant the necessary programing of prefinance projects if and when required.

The United States has been successful in obtaining concurrence for expanding the criteria under which projects become eligible for NATO infrastructure. The United States benefits from almost 50 percent of the funds expended by NATO while contributing about 27 percent of the costs. I submit Mr. Chairman, that this is a good deal and deserves our strongest support. As I previously stated, there are many vital requirements that must be funded unilaterally by the United States.

While operational and training facilities are accorded the highest priority, a substantial amount of the construction requested would improve and modernize living and working facilities for troop units. I have personally visited many of our overseas installations including some of the remote sites, and I commend you and the committee members to do likewise. We must recognize the deplorable living and working conditions which we are asking our military members to endure and do all we can to alleviate them.

In summary, Mr. Chairman, this is a very highly synopsized description of the DOD 1982 program for construction in support of U.S. forces in Europe. We have carefully examined total construction needs in Europe to determine which are in the U.S. interest to finance within the NATO infrastructure program and we are taking positive steps to provide them through that procedure.

We have affirmed that there are some facility needs which are essential but which cannot or should not be financed by NATO. In those cases the Department requests authorization and appropriation as a U.S. responsibility.

Sir, this concludes my remarks on this very important portion of our 1982 construction request. Thank you for your consideration and attention. With that sir, if you would like we can go directly into the briefing on the infrastructure program and how it works. Commander Bill Harper of my staff will do the briefing.

[Prepared NATO infrastructure program graphs follow:]

NATO INFRASTRUCTURE PROGRAM

A COMMONLY FINANCED MILITARY CONSTRUCTION PROGRAM

PURPOSE:

Δ Program Scope/Limits
Δ Funding Policies
Δ Interface - U.S. MILCON

(Graph 1)

INFRASTRUCTURE: HISTORY

Δ Commonly-Funded Program
Δ Planning & Establishment of Priorities Responsibility of Nato Military
Δ Cost Shared by Participating Nations
Δ Program Decisions Require Unanimous Approval

(Graph 2)

INFRASTRUCTURE

. . . NATO DEFINITION

- o FIXED FACILITIES - BUILDINGS, ROADS, RUNWAYS, FUEL DEPOTS, PIERS, PIPELINES, RADAR SITES, ETC.

. . ALSO . .

- o COMMUNICATIONS NETWORKS, AUTOMATIC DATA PROCESSING EQUIP., NAVIGATION AIDS, ASTERN REFUELING RIGS, ADMINISTRATIVE EXPENSES, SOFTWARE DEVELOPMENT

(GRAPH 3)

APPROVED NATO INFRASTRUCTURE CATEGORIES

- Δ AIRFIELDS
- Δ NAVAL BASES
- Δ PETROLEUM STORAGE
- Δ WARNING INSTALLATIONS
- Δ NAVIGATION AIDS
- Δ COMMUNICATIONS
- Δ SURFACE-TO-AIR MISSILES
- Δ SURFACE-TO-SURFACE MISSILES
- Δ AMMUNITION STORAGE
- Δ FORWARD STORAGE SITES
- Δ TRAINING INSTALLATIONS
- Δ WAR HEADQUARTERS
- Δ REINFORCEMENT SUPPORT

(GRAPH 4)

INFRASTRUCTURE : POLICIES/GUIDELINES

△ COMMONLY FUNDED PROJECTS MUST:

- ○ SUPPORT NATO OPERATIONAL PLANS AND NATO-ASSIGNED FORCES
- ○ POSSESS HIGH DEGREE OF COMMON INTEREST - MUST BE AVAILABLE FOR USE BY ALL NATO FORCES
- ○ CONFORM TO NATO-APPROVED CRITERIA AND STANDARDS - WARTIME MINIMUM

(GRAPH 5)

INFRASTRUCTURE / U.S. POLICIES

- △ MAXIMUM USE of NATO PROGRAM
- △ NATIONAL FUND REQUIREMENTS
  - ○ CONJUNCTIVE FUNDING

(GRAPH 6)

DIVISION of COSTS : AIRFIELD PROJECT

Δ COSTS PAID by NATO

- CIVIL WORKS, COMMUNICATIONS, UTILITIES, REQUIRED FOR WARTIME MISSION OF ASSIGNED SQUADRON.

Δ COSTS PAID by USER NATION

- PERSONNEL SUPPORT FACILITIES - MESS HALLS, BARRACKS, CLUBS, FAMILY HOUSING, GYMS

Δ COSTS/RESPONSIBILITIES of HOST NATION

COSTS: REAL ESTATE, ACCESS ROADS, RAIL SPURS, UTILITIES

RESPONSIBILITIES: PROJECT DESIGN, FUND AUTHORIZATION REQUEST, BID INVITATION, CONTRACTING, SUPERVISION OF CONSTRUCTION, FINAL COST ACCOUNTING

(GRAPH 7)

NATIONAL CONTRIBUTIONS (% of total)

(COST SHARING FORMULA)

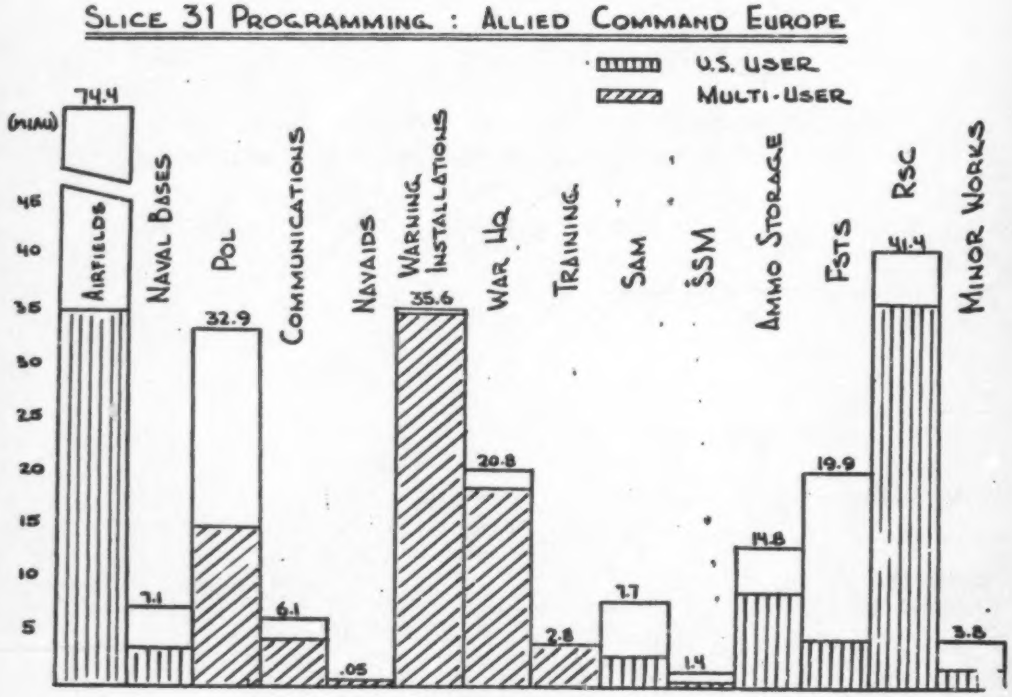
COUNTRY	FEB 1961	CURRENT AT 14	AT 15
BELGIUM	4.24	5.59	4.84
CANADA	5.51	6.35	5.50
DENMARK	2.87	3.72	3.22
FRANCE	12.00	—	13.22
GERMANY	20.00	26.54	22.99
GREECE	.67	.79	.69
ITALY	5.97	7.98	6.92
LUXEMBOURG	.17	.21	.18
NETHERLANDS	3.83	5.10	4.45
NORWAY	2.37	3.14	2.72
PORTUGAL	.28	.20	.20
TURKEY	1.10	.80	.80
UNITED KINGDOM	10.50	12.00	10.46
UNITED STATES	30.85	27.42	23.75

(GRAPH 8)

INFRASTRUCTURE FUNDING

- Δ FUND CEILING ESTABLISHED FOR FIVE YEAR PERIOD
- Δ CURRENT 5 YEAR (1980-1984) FUND CEILING . . . $4.5 BILLION
- Δ FINANCIAL COMMITMENT MADE

(GRAPH 9)


SLICE 31 PROGRAMMING : ALLIED COMMAND EUROPE

(GRAPH 10)

CURRENT SITUATION

Δ COST of PRIORITY REQUIREMENTS EXCEED AVAILABLE FUNDS

Δ $3.2 BILLION SUPPLEMENTAL FUNDS REQUESTED

- o U.S. SHARE . . . $840 MILLION

Δ U.S. PARTICIPATION CENTRALLY MANAGED . . . ASD, MRA & L . . . DASD, INSTALLATIONS & HOUSING

(GRAPH 11)

PROGRAM ADVANTAGES

Δ COORDINATED MILITARY PLANNING
Δ FACILITATES NATO-WIDE IMPLEMENTATION
Δ STANDARDIZATION
Δ COST-EFFECTIVE
Δ OPERATIONAL BALANCE

(GRAPH 12)

NATO INFRASTRUCTURE PROGRAM

Commander **Harper**. Mr. Chairman, this will be a brief presentation on the NATO infrastructure program which as the viewgraph notes is a commonly financed military construction program. It also includes some equipment procurement. The purpose of the brief is to describe some of the program's scope and its limits, some of which Mr. Fliakas has already described, and funding policies and the interface with the U.S. Milcon program.

Historically after the formation of the North Atlantic Alliance in the late 1940's, the NATO military commanders realized the necessity of forming some sort of a program which would provide the military construction and the facilities necessary for the defense of the NATO area. Because of economic and political conditions in the post-war years, it was impossible for individual nations to fund the facilities necessary.

FINANCING OF PROGRAM

The program itself is financed by 13 of the 15 nations in the NATO Alliance. These 13 nations are considered full participants and have military forces dedicated or assigned to NATO. Iceland has no military forces and does not contribute to this program. France, of course, withdrew from the integrated military structure alliance in the late 1960's. It does, however, participate on a selective basis.

The planning and establishment of priorities is the responsibility of NATO military. This allows them to establish priorities on a NATO-wide basis and provide those facilities in those key areas in the timeframe that is desired and necessary to meet the threat. The costs are shared by the participating nations and those are defined as those nations with forces assigned to NATO.

Program decisions require unanimous approval of all of the nations so that in committee sessions the refusal of any single nation on any particular aspect of this program can delay the program in its entirety.

By definition, infrastructure originally referred to fixed facilities such as those shown here: buildings, roads, runways, fuel depots. However, in response to changing military structure, increase in assignment of forces, weapons sophistication and technology, and so forth, the infrastructure program also encompasses these items shown here.

The administrative expenses are primarily in the communications area.

Over a period of time the NATO nations in concert have agreed to fund facilities in these categories of infrastructure. Originally the program back in 1950 started off very modestly with an annual program of some $90 million which was primarily focused on rebuilding airfields and providing necessary communications.

AIRFIELDS CATEGORY

Of particular interest to the United States as a user nation is the airfields category through which several of our airfields in Europe are funded entirely by this program: the surface-to-air missiles which provide support for the Patriot missile, surface-to-surface missiles which provide infrastructure funding for the operational facilities for the ground-launched cruise missile being deployed, and, as mentioned by Mr. Fliakas, the reinforcement support category which provides those facilities for the reception, staging, and award of our movement for our reinforcing forces.

Along with the agreement to provide funds for those 13 categories of infrastructure, the committees have also established certain limits to certain policies as to what the program will fund. The projects supported under this program must support NATO operations with NATO-assigned forces. Strictly U.S. forces such as MAC or the Strategic Air Command are ineligible for infrastructure funding even though they may be stationed in Europe.

All projects must possess a high degree of common interest and must be available for use by all NATO forces during wartime. This is a basic policy of the NATO infrastructure program that all facilities at some stage of alert in wartime will be available to all NATO forces.

They must conform to certain NATO-approved criteria and standards. Normally these are a wartime standard and therefore the criteria is normally austere. Again as Mr. Fliakas pointed out, certain quality-of-life and support facilities which are essentially required only in peacetime must be funded through nationally funded programs. They are not eligible for funding under the infrastructure program.

It is current U.S. policy that we would make maximum use of this NATO infrastructure program. Again national fund requirements occur when certain operational facilities are funded through the NATO infrastructure program. Currently, the ground-launched cruise missile system operational facilities that are being funded through the NATO infrastructure program of associated personnel support facilities must be conjunctively funded through the U.S. Milcon program.

What we have here is a representative breakout of costs for various construction projects within the NATO theater. We have chosen a typical airfield project. The costs paid by NATO or through the NATO infrastructure program would be the associated civil works, communications, utilities, and any of the operational construction required for the wartime mission of an assigned squadron. This would include airfields, taxiways, control towers, associated communications, ammunition storage, POL, and certain utilities. Cost paid by the user nation * * * the user nation is that nation which actually uses the facilities. An example might be a U.S. airfield in Bitburg, Germany. Here we must use national funds to provide personnel support facilities: mess halls, barracks, clubs, family housing, gymnasiums, and so forth.

The host nation in this particular case—again we cite Germany—has certain costs to bear and certain responsibilities to carry out under this program. They are responsible for the costs of real estate, access roads, rail spurs, and utilities up to the site. These are costs borne by the host nation. They are not reimbursable by any other source of funds. The host nation also carries out all the responsibilities associated with normal construction including those tasks shown here.

In sum the actual costs and responsibilities shouldered by the host nations can amount to as high as 13 percent of the total cost of the project.

INFRASTRUCTURE PROGRAM FUNDING

As far as funding within the infrastructure program, to avoid long and protracted debates yearly on how much of a fund ceiling will be established the nations established fund ceilings for 5-year periods. The particular 5-year period that we are in now is from 1980 through 1984. The nations have voted a 5-year ceiling of $4.5 billion, although the NATO military commanders, based on their guidance from NATO ministers in appreciation of the Warsaw Pact threat, actually identified total infrastructure requirements totalling $9 billion for this particular 5-year period. However after a 14-month negotiation among the nations, they finally came to an agreement of $4.5 billion. There are a number of economic and political factors which come into play here in arriving at this particular ceiling. You can see that within the NATO infrastructure program operating for this 5-year period, they have about half of the funds that they need.

It should be pointed out and stressed too that at the time that each of the NATO nations makes a commitment to fund this program for this 5-year period—and this is not at the ministerial level—it represents a binding financial commitment. This is represented by the annual infrastructure item. In this particular case for this year, $385 million is our contribution for our support.

In addition to establishing a 5-year fund ceiling every 5 years, the nations also discuss what each of the national contributions might be. The nation's contribution is for a 5-year period. Again a variety of economic and political factors come into play here rather than any kind of definitive formula or assessment of gross national product and so forth.

What we have shown here is the United States in 1961 contributed about 30 percent of the program. We were the highest contributor at that time, Germany and the United Kingdom falling in behind.

U.S. SHARE IN INFRASTRUCTURE PROGRAM

Currently, of what is known as the 14 nations, the U.S. contribution is 27.4 percent. So we have actually had a decrease in our share to the infrastructure program where all of the other nations, particularly the higher contributors such as the United Kingdom and Germany and Italy, have increased their shares.

You notice two sets of figures here. This particular figure shows the representative shares when France participates. France participates in the funding only of warning installations or the radar network. At that time their percentage was 13 percent. But the bulk of the funding is done under this column.

Mr. Fliakas pointed out in his opening statement the fact that the United States as a contributor and a participant in this program contributes some 27 percent to the program. However the number of projects actually financed or supported within the NATO infrastructure program is considerably higher than this.

The annual programs are called slices. This happens to be the most recent one approved last year, with this year's program due to be approved by the end of this week. But this is a cross section and uses the infrastructure accounting unit as the international monetary unit. It shows you the order of magnitude of the support for U.S. user programs. Within the airfield category 50 percent of the program went solely for U.S. user airfields in the NATO theater.

In each one of the bargraphs here where you see yellow, this is solely for U.S. use within the NATO theater. Notice in the reinforcement support category almost 90 percent of the funding in that particular area went for U.S. projects. Those in blue are in areas such as warning installations, war headquarters and communications which have a NATO-wide use or NATO-wide implication. It is difficult to put definite shares or definite usage by any one country. However, of course the United States does benefit from the funding in the construction of these things, particularly in the POL area where a large portion of this is for the central European pipeline system which provides POL to a number of airfields.

The current situation, as I pointed out earlier in this presentation, is that the total cost of all priority requirements, some $9 billion, exceeds the available funds by quite a bit. As a current ongoing issue within the NATO arena now is a request by the NATO military commanders for some $3.2 billion in supplemental funds in order to meet higher priority operational requirements. If those particular supplemental funds were approved by all the nations together, the U.S. share spread out over quite a few years would be some $840 million additional.

You can see that because the operational requirements for military construction in Europe far exceed the funds available and because of the interface with U.S. military construction, planning and programing in this area has become exceedingly complex to the extent that the Secretary of Defense a few years ago directed that the Assistant Secretary of Defense for Manpower Reserve Affairs and Logistics centrally manage this entire program for the United States. The specific responsibility was given to the Deputy Assistant Secretary for Installations and Housing, Mr. Fliakas. It is within this area that the central management of this program is right now.

ADVANTAGES OF INFRASTRUCTURE PROGRAM

As a concluding viewgraph here, the program has definite advantages. It does allow for coordinated military planning. This allows your central NATO military commanders to identify those military requirements in those particular areas when they are required. It facilitates NATO-wide implementation. There are a number of projects which cross national boundaries. It would be extremely difficult to implement if it were left up to individual nations.

Of particular interest is communications, the Central European pipeline system and some of the air defense networks. The program also allows for standardization. As I pointed out earlier one of the basic policies is that all of the facilities must be made available to all of the NATO nations during wartime.

The program is also cost-effective in that all construction or equipment procurement done under the NATO infrastructure program is subject to international competitive bidding.

Again lastly, it allows for proper operational balance or mix of facilities. In this regard there are occasions when the individual national priorities differ from those of the military commanders, and then the military commanders take precedence over that to provide for the best balance and mix of the operational facilities.

Mr. Chairman, this concludes my presentation. It was a rather hurried one. If there any questions I would be glad to take them.

Senator **Sasser**. I have no questions. Thank you.

Mr. **Fliakas**. Mr. Chairman, we are ready to submit to any questions. We do have representatives from the JCS. Of course General Groves represents the NATO adviser to the Secretary as well as the military departments. I think we have the strength here to respond.

Senator **Sasser**. I would say you certainly have strength in numbers, Mr. Fliakas. I expect you have strength in other areas too.

The Joint Chiefs' most recent report on U.S. military posture outlines the relative strength of the Warsaw Pact forces vis-a-vis our NATO forces. Now in almost every category except some naval combatants the Soviet Union and the Warsaw countries seem to greatly outnumber the United States and our NATO allies in the number of combat equipment. Heretofore in years past we have maintained what we thought was a proper military balance because of substantial technological superiority. But today I think most observers agree that the Warsaw Pact forces are beginning to close that technological gap as they make substantial strides in new weaponry and new equipment.

CURRENT MILITARY BALANCE IN EUROPE

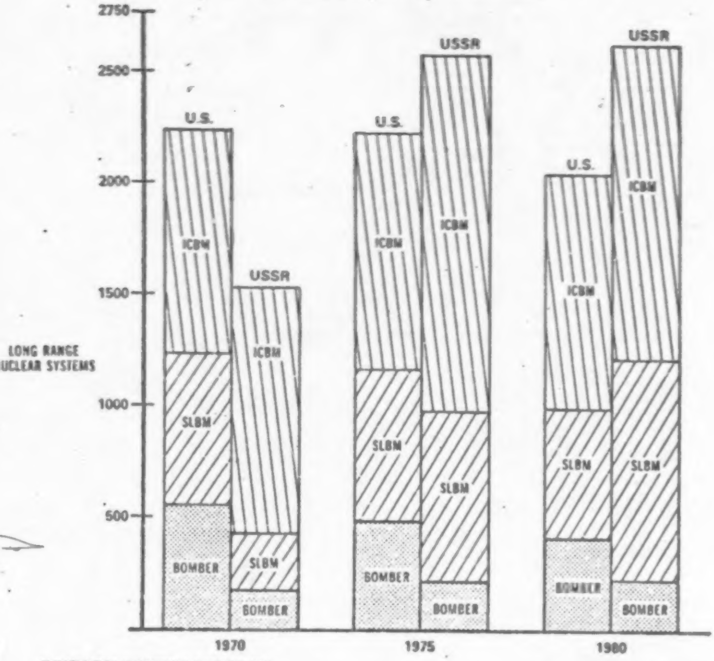
Would you care to discuss, either you or General Groves, in an open session the current balance in Europe as you see it?

Mr. **Fliakas**. If I may Mr. Chairman, I would like to refer that to the representatives from the Joint Chiefs, General Honor.

General **Honor**. I am General Honor from the Joint Staff and I am well prepared to discuss that with you. We have Commander Brown here who has developed a rather short presentation which I think is a succinct explanation of the balance in Europe as seen by the Joint Chiefs.

[The graphs follow:]

STRATEGIC FORCES*

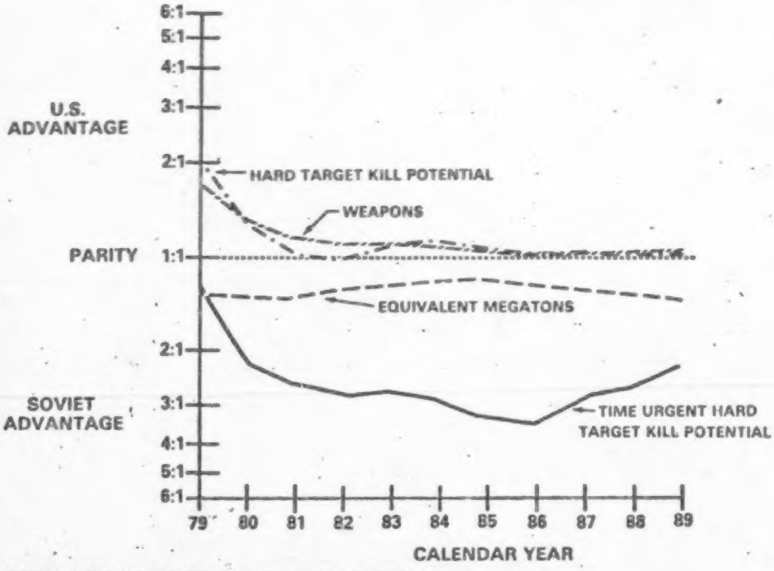


* INCLUDES BACKFIRE AND FB-111

CHART II - 1

STRATEGIC FORCES*

PRE-ATTACK STATIC RATIO COMPARISON



* TOTAL ACTIVE INVENTORY WITHOUT BACKFIRE
·SAL CONSTRAINED
CURRENT U.S. PROGRAMS ON SCHEDULE (MX, TRIDENT, ALCM)

CHART II - 2

THEATER NUCLEAR FORCES
STATIC RATIO COMPARISON

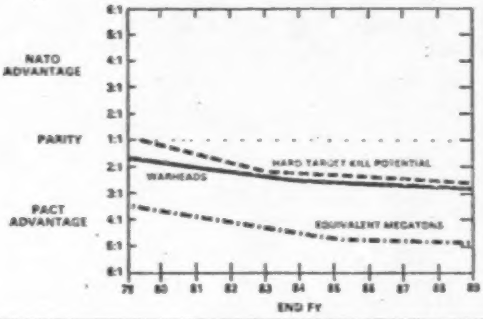
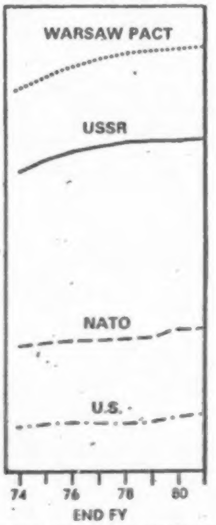


CHART II - 8

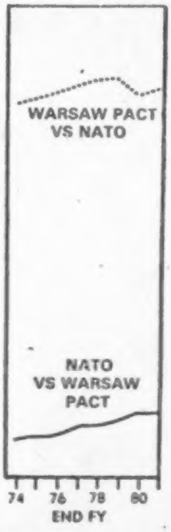
MEDIUM AND HEAVY TANKS*



* INCLUDES ACTIVE AND RESERVE FORCES

CHART II - 9

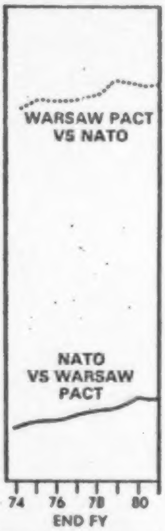
ANTI - ARMOR WEAPONS PER OPPOSING TANK*



* INCLUDES ACTIVE AND RESERVE FORCES

ANTI-ARMOR WEAPONS INCLUDE TANKS, ATGM LAUNCHERS, ANTI-TANK GUNS, AND COPPERHEAD

CHART II - 10

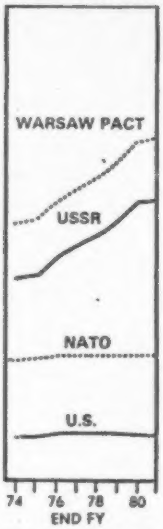


ANTI - ARMOR WEAPONS PER OPPOSING ARMORED VEHICLE*

CHART II - 11

* INCLUDES ACTIVE AND RESERVE FORCES

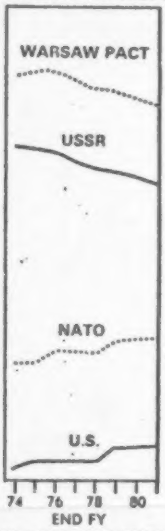
ANTI-ARMOR WEAPONS INCLUDE TANKS, ATGM LAUNCHERS, ANTI-TANK GUNS, AND COPPERHEAD



ARTILLERY AND MULTIPLE ROCKET LAUNCHERS*

CHART II - 12

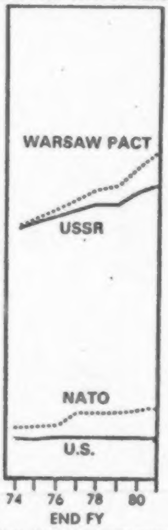
* INCLUDES ACTIVE AND RESERVE FORCES



ANTI - AIRCRAFT ARTILLERY*

CHART II - 13

* INCLUDES ACTIVE AND RESERVE FORCES

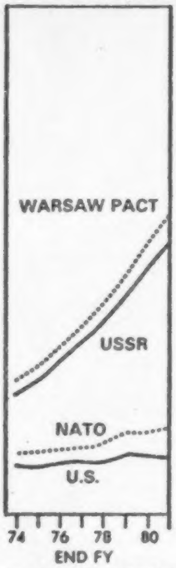


MANPACKED SURFACE TO AIR MISSILES*

CHART II - 14

* INCLUDES ACTIVE AND RESERVE FORCES

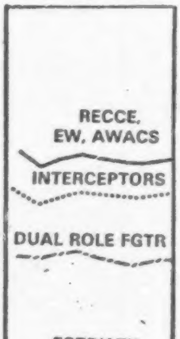
MOBILE TACTICAL SURFACE TO AIR MISSILE LAUNCHERS*



* INCLUDES ACTIVE AND RESERVE FORCES

CHART II - 15

NATO AIRCRAFT*



* USAFR, USANG, USNR, USMCR INCLUDED

CHART II - 16

WARSAW PACT AIRCRAFT

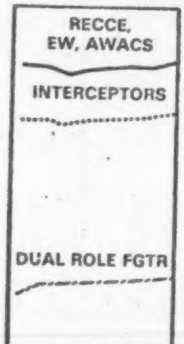


CHART II - 17

CHEMICAL/BIOLOGICAL WARFARE COMPARISON

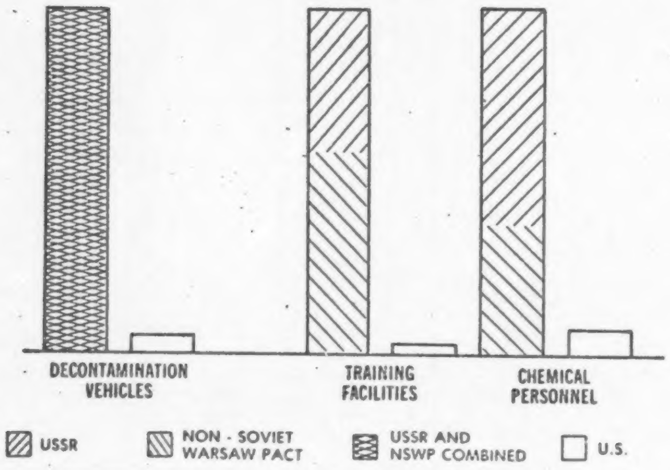
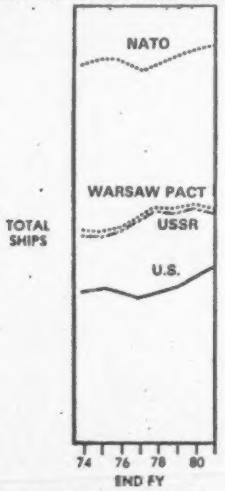


CHART II - 20

PRINCIPAL SURFACE COMBATANTS*



* LIGHT FRIGATES AND ABOVE

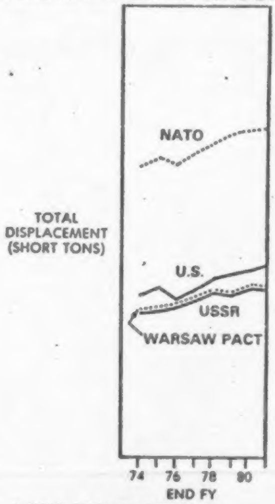
ACTIVE FORCES ONLY FOR U.S., USSR, AND WARSAW PACT

INCLUDES RESERVE FORCES OF NATO ALLIES

INCLUDES ALL ALLIANCE FORCES, SOME OF WHICH ARE NOT FORMALLY COMMITTED TO NATO

CHART II - 21

PRINCIPAL SURFACE COMBATANTS*



* LIGHT FRIGATES AND ABOVE

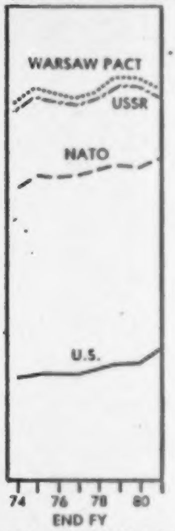
ACTIVE FORCES ONLY FOR U.S., USSR AND WARSAW PACT

INCLUDES RESERVE FORCES OF NATO ALLIES

INCLUDES ALL ALLIANCE FORCES, SOME OF WHICH ARE NOT FORMALLY COMMITTED TO NATO

CHART II - 22

GENERAL PURPOSE SUBMARINES *



* INCLUDES AUXILIARY AND COASTAL SUBMARINES

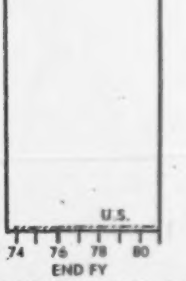
ACTIVE FORCES ONLY FOR U.S., USSR, AND WARSAW PACT

INCLUDES RESERVE FORCES OF NATO ALLIES

INCLUDES ALL ALLIANCE FORCES, SOME OF WHICH ARE
NOT FORMALLY COMMITTED TO NATO

CHART II - 23

MINE WARFARE SHIPS AND CRAFT *



* ACTIVE FORCES ONLY FOR U.S., USSR, AND WARSAW PACT

INCLUDES RESERVE FORCES OF NATO ALLIES

INCLUDES ALL ALLIANCE FORCES, SOME OF WHICH ARE
NOT FORMALLY COMMITTED TO NATO

CHART II - 24

AMPHIBIOUS SHIPS*

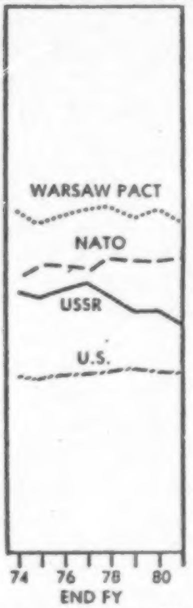
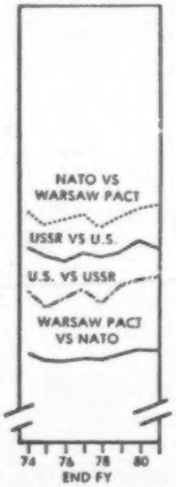


CHART II - 25

* INCLUDES ACTIVE AND RESERVE FORCES

INCLUDES ALL ALLIANCE FORCES, SOME OF WHICH ARE NOT FORMALLY COMMITTED TO NATO

ASW FIXED WING AIRCRAFT PER SUBMARINE *



* INCLUDES ALL ALLIANCE FORCES, SOME OF WHICH ARE NOT FORMALLY COMMITTED TO NATO

CHART II - 26

NATO/WARSAW PACT MILITARY BALANCE

Commander **Brown**. I will give a brief summary of the NATO/Warsaw Pact military balance, and I will compare the static ratios that you are familiar with and in addition say something about the qualitative factors where the Soviet Union and the Warsaw Pact are making inroads into our areas where we have traditionally enjoyed superiority.

Before I begin I would like to also say that the static measures which you saw in the graphs can be misleading, because of course we are always uncertain as to how these forces would interact with one another if a conflict should actually erupt. Next there are political differences between the two alliances, between NATO and the Warsaw Pact, political problems on the NATO side in terms of recognizing warning, reacting in time, mobilizing, and political problems on the side of the Warsaw Pact with regard to the reliability of some of the Eastern European allies. I will also say a few words about the strategy and doctrines.

I am going to begin with a few brief words on strategic forces because both sides rely on them but particularly NATO relies upon its central strategic systems.

NATO POLICY OF DETERRENCE

NATO has a strategy of deterrence. We do not seek to match the Warsaw Pact in each force tank for tank, plane for plane and so forth but rather maintain a capability across the entire spectrum. We envision three different types of response. First direct defense: we try to defend forward and deny the enemy his objective. If that fails then we rely on deliberate escalation and that can be either horizontal or vertical escalation. We could widen the conflict or we could go nuclear. And finally we have general nuclear response which relies on the central strategic systems of the United States primarily.

This graph shows the gain in the strategic systems that the Soviet Union has made against the United States over the decade from 1970 to 1980. This is the strategic nuclear delivery launchers, not warheads. We still lead in total number of warheads although they are closing the gap there.

This slide shows some of the qualitative conparisons of our strategic forces. If the United States has an advantage for example this particular measure up here would be 2 to 1. This line would be parity. If all the lines were on this line, it would be parity. As you can see, the Soviet Union already has a lead in the qualitative factors in two areas: equivalent megatons and time urgent hard target kill capability. This would be missiles as opposed to bombers which have a long time to fly to get to their target. We still lead in total hard target kill potential because of our greater number of bombers and the greater capability of our bombers and we have a greater number of total deliverable warheads.

Theater nuclear forces mean taking out of the middle level between your conventional forces and your strategic nuclear forces. Here again we have lost what was once an advantage and qualitatively now the Warsaw Pact does lead us in hard target kill potential. This is in the theater of Europe, the total number of warheads and equivalent megatons. If the GLCM and the Pershing II are deployed as forecast in the outyears, the Soviet and Warsaw Pact advantage will decline slightly.

NATO WARSAW PACT STATIC COMPARISONS

Now I will go into the comparisons that you referred to, the static comparisons, and as I do so I will also talk some about the qualitative advanages that we have in the different areas beginning first of all with tanks. All of the graphs which I will show incidentally show the total worldwide balance as opposed to just the balance in Europe. We feel that this is valid because any conflict with the Soviet Union possibly would escalate or could escalate to a worldwide conflict. In the event that it did not, both sides would have to reinforce the European theater.

And in the case of for example the Soviet Union, they have forces opposite China, and 20 to 25 percent of their total forces which would be tied down. And of course many of our forces would be in the United States and would have to forward-deploy to support forces already in NATO. So these balances are the worldwide numerical comparison.

The Soviet Union and the Warsaw Pact lead NATO approximately 2.5 to 1 in total number of tanks and particularly at the high edge of the quality spectrum. They have about 10,000 tanks deployed opposite ACE. These are the T-64 and T-72 late model tanks which would be comparable in capability to our XM-1 and our own heavy tanks. They outnumber all of our tanks with their high quality tanks. This is one area where they have an advantage.

Incidentally this is true of many of the ground force equipment areas. This is the area where they probably have overtaken us the most in the qualitative factors. We still have a significant lead in the tactical air area and in the Navy. We are ahead in some areas; they are ahead in others.

In addition to tanks we keep track of antiarmor weapons per opposing tank and this includes tank guns but also artillery pieces and hand-held antitank weapons such as the Dragon. In this area the Warsaw Pact has an even greater margin of advantage over NATO. In this case it is as much as 5 to 1 in total numbers. The trends are continuing to be in an adverse direction.

This is antiarmor weapons per opposing armored vehicle. This would be armored fighting vehicles as well as tanks. The armored fighting vehicles again is an area where they have probably a qualitative advantage now in terms of equipment deployed in the hands of the troops.

In each case when we talk qualitative advantages, we have not distinguished between basic technology where we still generally lead almost across the board and applied technology, the level of technology in equipment that is deployed in quantity in theater.

This slide shows the numerical comparison of artillery and multiple rocket launchers. This is an area where the Soviet Union and Warsaw Pact have approximately a 3 to 1 advantage over United States and NATO. Our curves are about flat and theirs are continuing to increase.

Artillery is one area where we still have a qualitative advantage over the Warsaw Pact, although they are closing that margin as well. They have recently added 4,000 self-propelled artillery pieces to their towed artillery inventory. They have kept it and added 4,000 self-propelled howitzers so they are overtaking us in this area, qualitatively as well.

Antiaircraft artilery, this is declining in the case of the Warsaw Pact and the Soviet Union as they add missiles instead of guns. It is another area where they have a significant qualitiative capability.

The manpacked surface-to-air missiles show again an impressive margin of superiority.

In mobile surface-to-air missiles they show an even more impressive gain. You can see here that they are substituting missiles for guns in the air defense role.

AIRCRAFT IN EUROPEAN THEATER

I will talk a little bit about aircraft. This slide shows the composition of the Warsaw Pact aircraft inventory. As I said earlier, this is an area where we still have a significant qualitative advantage, although they are making great strides. NATO and the United States are ahead in precision-guided munitions. We are ahead in air-to-air munitions and in the capability of our individual aircraft. However in the last few years the Soviet Union has added aircraft to their inventory which have about three times the range of earlier models and twice the payload.

Also we see a shift from the air defense role, the fighter role, dogfight type role, more and more toward a strike capability such as NATO has enjoyed. The qualitative advances in aircraft are particularly important to the United States because we for a long time have relied on our superior aircraft to compensate for our ground force deficiencies.

Shown side by side here is the NATO aircraft inventory versus the total Warsaw Pact inventory. You can see the margins are closer here than in the case of most of the ground force equipment with them having about a 2 to 1 advantage in aircraft deployed in theater and about a 3 to 2 advantage in total worldwide inventory. But we still have a significant qualitative edge.

CHEMICAL WARFARE

I will say a few words about chemical warfare. We cannot say much in open testimony about chemical except to say that the level of effort of the Soviet Union and the Warsaw Pact is indeed impressive compared to the West. It is very difficult for us to talk in Europe about chemical warfare and we are way behind both on defensive equipment and on offensive capability. We have taken some strides to rectify that but still they have a dramatic advantage over us in the chemical area.

NAVAL FORCES

A few words about the naval forces: Here I would like to digress. As you noted we still have an advantage in total naval capability but we must distinguish between an advantage that is fleet to fleet and an advantage with respect to the tasks to be performed. NATO's geography imposes upon us a greater task for our forces. We must control the sea in order to win the war, whereas they merely need to deny the use of the sea to us. The depth is great that the alliances in the Western Hemisphere to reinforce us would have to travel over long and vulnerable lines of communication. Hence, while we have a significant advantage in quality land quantity over the Warsaw Pact, we do not have an advantage with respect to the tasks that are to be performed. We will see that they have optimized their navy to deny us the use of the seas.

The Warsaw Pact does outnumber NATO in total number of ships but in the area of principal combatants—these would be destroyer types and larger—we do have almost a 2 to 1 advantage over the Warsaw Pact. As you see, the U.S.S.R. has the lion's share of the naval capability as far as the Warsaw Pact goes, with the United States forming slightly less than half of the total naval inventory since we have significant naval capabilities contributed by several of our allies. Those will be critical in a battle of the Atlantic.

This graph is the same as the previous one, only here it show total displacement. Again NATO has an advantage over the Warsaw Pact and total displacement, and the United States in this case actually is larger than the Soviet Union. This is because our ships are typically larger and have longer legs, that is greater endurance than their Soviet counterparts. However they are making strides in this area. Their newer ships are larger.

General purpose submarines: this is an area where you can see the Warsaw Pact emphasis on sea denial. The do out number us in total number of submarines. They have approximately 190 more submarines in the Soviet navy alone than does the U.S. Navy. We are not sure but we think that this reflects their interest in denying us the use of the sea. They also would use their general purpose submarines to perhaps defend their own strategic missile-firing submarines.

Mine warfare ships and craft: In this case the Warsaw Pact has an advantage over NATO. The Soviet Union has for a long time been the No. 1 mine warfare navy in the world. The United States has not emphasized mine warfare; this is traditional for a sea power. We have not put great stock in it. We have relied almost exclusively on the allies. What is disturbing here is that not only does the Soviet Union have a number of minesweepers but they also have an impressive mine-laying capability. Also a cause for alarm here is the precipitous decline in NATO minesweeping capabilities. Since we are dependent almost exclusively on them for minesweeping craft, this is of concern.

Amphibious ships: The Warsaw Pact has climbed over the United States, although in total lift capability and in qualitative areas the United States still has a margin of superiority over the Warsaw Pact and Soviet Union.

The last slide shows ASW fixed-wing aircraft per submarine. Submarines do not always fight submarines and surface ships do not always fight surface ships This shows the capability of the various pieces vis-a-vis each other, in this case NATO versus the

Warsaw Pact and the Warsaw Pact versus NATO. So we do have a somewhat heavier dependence on maritime patrol aircraft to combat the enemy submarines. Here is another area where we still have a significant qualitative edge over the Soviet Union, not only maritime patrol aircraft but also in submarine noise detection and submarine noise level. Our submarines are generally quieter, harder to detect, and hence are superior one on one to their Soviet counterparts.

This concludes the discussion of the static measures. I will say a few words about some of the other factors that I alluded to earlier.

EFFECT OF POLITICAL DECISIONS ON NATO

First of all I will mention the political decisions. As I indicated at the outset, we would have to first recognize the warning of attack and then we would have to, as an alliance, react to that warning. A delay on the part of any of our allies, including France, whose forces were factored in, would have a significant impact on our ability to defend.

Of course the role the nuclear weapons would play is a great uncertainty and the capability of our individual soldiers is another great unknown. We would like to think that our personnel are superior man to man to their Soviet counterparts. On the other hand they too might vary widely from country to country and from regular to reserve forces. So while we have approximately the same number of men under arms on active duty, they have larger reserves and we cannot be sure of the quality of these reserve forces.

So there are a number of uncertainties. We are disturbed about the overall trends because they do show a momentum and also they would affect leverage in a crisis and they raise the risk to us if deterrence should fail. Of course if deterrence fails, it also increases the chance that we might not be able to carry out our strategies as we would hope.

This concludes my briefing. We would be happy to try to answer any question.

U.S. DEPLOYMENT OF NEW SYSTEMS

Senator **Sasser**. Thank you, Commander. I do not know that I have any questions that would impact directly on the briefing that you gave us. I am a little surprised to learn—I knew we had a severe disadvantage in tanks and armor, but I am a little shocked to learn that we have a 5 to 1 disadvantage in antitank weaponry as well. I thought at least we would be on a parity there to give a 2.5 to 3 advantage on tanks.

The Soviet Union has substantially modernized and expanded its theater nuclear forces. Recent deployment of SS-20 missiles have raised the level of potential nuclear threat in Europe. To restore this balance we have proposed to deploy a mix of ground-launched cruise missiles, so-called GLCM's, and Pershing II ballistic missiles. Some of our allies appear to be hesitant to fully endorse our own modernization effort.

Could you tell us the status of our efforts to deploy these new systems and explain to us the military construction requirements which will be necessary for these new weapons?

Mr. **Fliakas**. Mr. Chairman, as far as the status is concerned, we are proceeding with construction in the United Kingdom. You may recall that in the 1981 program the United States prefinanced some $19 million for the start of that construction at two sites in the United Kingdom. That is ongoing and on schedule.

Perhaps in a closed session I can give you the initial operation capabilities date, but I would exclude that from my discussion now.

We also are proceeding with plans to deploy on the Continent in Italy, Germany, Belgium, and the Netherlands. These will be phased over a period of time. The next site will be in Italy with respect to the ground-launched cruise missile.

I neglected to say Mr. Chairman, that the United Kingdom site is for the ground-launched cruise missile. It is for the GLCM. Also to follow will be the Pershing to be deployed in Germany as well as the GLCM in Germany.

There is coverage in the construction appropriation request before you for the United Kingdom in the amount of some $12 million and for Italy about $57 million, for which we urgently seek your support.

With respect to those amounts that are going to be funded by NATO, we are assured by SACEUR that the highest priority will be accorded to the GLCM and Pershing so that the NATO infrastructure funds will be made available in a timely fashion to provide the operational facilities.

As you may know and as we have indicated in our briefings today, the host nation participates in the form of acquiring land, access roads, and the like, as well as designing and construction, which will be funded out of the NATO infrastructure program. We will provide those facilities required for bedding down our forces, the logistics, and the community support facilities.

So in summary, the funding program is on schedule, and we hope that the construction will be in a position to support the initial operation as planned by the date planned.

MALDISTRIBUTION OF MILITARY UNITS IN EUROPE

Senator **Sasser**. In your prepared testimony you alluded to the maldistribution of some of our military units which are located in Europe. Let me say that I share this concern. Earlier this year I received the classified briefing concerning the situation and also the proposed master restationing plan. I want you to know that I completely endorse this effort, which I feel is necessary to prove readiness of U.S. combat units in Central Europe. We have to begin restationing immediately if U.S. forces are to be deployed in the most desirale defensive locations in Europe.

Our forces in Europe have been located primarily in the same positions and facilities that they have been located in since the end of World War II, and these facilities are substandard and deteriorating. Some elements are positioned in poor geographic locations should a conflict occur between NATO and the Warsaw Pact nations. We must recognize the improvements in Warsaw Pact capabilities and begin the restationing of our forces in the best defensive position.

I think we all agree that the U.S. presence in Europe is a permanent presence and therefore we must start planning accordingly. The Army's restationing plan presents the first comprehensive long-range proposal designed to improve force readiness. I think it should be implemented.

I will have some specific questions on this matter, which must be asked later during the classified session. However, is there anything that you would like to add concerning the master restationing plan during this open session, Mr. Fliakas?

Mr. **Fliakas**. I would like to ask General Groves to respond.

Senator **Sasser**. We would be glad to hear from General Groves.

MASTER RESTATIONING PLAN

General **Groves**. We certainly share your views, sir, and will be more than pleased to respond to any questions in the closed session.

The reason that we have dealt with these things in closed session previously is that the Germans with whom we are dealing, and I think quite properly, wanted to avoid airing in the media what we were thinking about and what particular pieces of real estate we might be considering. As we all know, that was pretty well ventilated in last Friday's Washington Post which incidentally is, except for the tone of the headline, a pretty well-balanced assessment of what we are trying to get done.

I might just add that this is now a responsibility of the Foreign Ministry. Recently I visited Bonn and I talked to officials in that Ministry, among others. I came away encouraged to believe that we are getting pretty close to the discussion stage of this project. That is good, because the biggest obstacle that we have in our way is the problem of ignorance on both sides of what the other's problems are. We need to get soonest to bilateral discussions, because only then will we be able to tailor our proposal to fit the German capabilities and their limitations and enable them to benefit from what we see as opportunities for them. We think they are very real opportunities to bring about benefits not only to their people but to their armed forces as well.

Senator **Sasser**. Thank you, General.

LIVING CONDITIONS FOR U.S. TROOPS IN EUROPE

I might say that I was appalled to learn that more than 70,000 troops or perhaps more than a third of our entire Army in Europe lives in facilities that are worse than substandard. They can only be classified as ghettos. All too many of our facilities which were built in the 1930's for the German Army of Adolph Hitler are simply falling apart right around our troops. This is true not only of barracks but of maintenance shops and other facilities.

I recall well a photograph of a tank park with tanks just sitting out in muddy fields. That was supposed to be a tank park where tanks receive some maintenance and the crews of course would attempt to give them routine maintenance in these muddy fields.

Such an outrageous situation really cannot be allowed to continue. It most certainly contributes not only to poor morale but to a poor state of readiness for our fighting forces. Certainly in a period of rapidly expanding military expenditures we cannot shortchange the particular and vital military construction needs.

Would you please tell this committee the extent of these deficiencies and what you see in terms of the long-range effort to improve the deficiencies?

Mr. **Fliakas**. Mr. Chairman, you did not exaggerate. Most of those facilities are in really a deplorable fashion. I was very pleased to hear your statement. We are also pleased to get Senator Jepsen's report earlier this year which outlined some of the conditions and that is why I commend to every Member of Congress to visit and see these conditions firsthand.

I am encouraged certainly by the amount of funding that the President has provided in the 1982 budget including his amendment of March 5. But we have a long way to go. And not only is it needed in the capital investment areas, that is in military construction itself for replacement and modernization of these facilities, but also in the maintenance and repair. Our backlog of just essential maintenance, this is the every-day maintenance and the repair of our facilities, is about $1.7 billion for the Army alone in Europe. That certainly indicates a neglect of facilities. And it is not a good business practice obviously to allow the facilities to deteriorate.

But many of these you cannot do much with anyway. They are converted horse stables. We have maintenance shops in poorly ventilated, poorly lighted facilities where you cannot even get the tanks indoors. We do not have overhead cranes. We cannot lift a powerpack. We have to maintain in the conditions you described with no hardstands. That impacts on the morale, the training, and certainly on the equipment itself because it is not being maintained properly.

Now the solution obviously is known. We have to replace, get out of these facilities. And currently MRP, the master restationing plan, provides the vehicle for that because it would permit us to move forward and to upgrade and modernize our facilities at the same time.

Since the inception of the MRP, all of the Army's construction programs have been in consonance with it, recognizing that there is not complete agreement as yet. There is no full understanding as to how it would be implemented. But those construction programs that are before you for U.S. funding are in consonance with MRP, so we are not in effect putting construction in places where we would later abandon it or it would not be needed.

It is obvious how we got into this position: Lack of priority; it is putting dollars elsewhere obviously. It started really I suppose in the midsixties when most of the defense dollars were going to Southeast Asia. We just have not caught up. There have been various plans by which the Federal Republic of Germany has contributed. We have had several offset agreements that have contributed measurably to the upgrading of barracks and dining halls. We have had other programs over the years.

But as you pointed out, we have been there for 35 years and most of the facilities were not adequate to begin with. So it has been a question of bailing wire and holding it together and waiting until next year. It requires attention.

I am encouraged by the more than $1 billion in this year's program. It is a good program and it requires to be sustained in the outyears. This represents incidentally, sir, over a 3-year period more than a doubling of the program. So the administration has supported the increase. As we say, we have a long way to go.

But the Congress must also share in part of this condition, because for a period of time there we had to put up $3 for every $2 we got back. So I would urge that the committee support our efforts. I know that many individual Senators and Congressmen have enjoined us to get on with it, and we need your support.

COMMITMENT OF NATO ALLIES TO MILITARY BURDEN

Senator **Sasser**. Let me bring up another subject here, Mr. Fliakas. While we are talking about increasing our commitment to construction projects and maintenance projects for NATO, which I am committed to doing, I think we have to look at the other side of the coin.

I have been very concerned that our NATO allies are not paying their fair share of the military burden in Europe. Now the Commander alluded a moment ago to the fact that our share of the military construction segment has been going down. But when we look at other studies, for example an April 1980 study on cost-sharing put out by our own Corps of Engineers, I was extremely distressed to find that the relative cost-share of the United States is more than 56 percent of the total cost for NATO defense. On the same basis the United Kingdom provides 7 percent, the Federal Republic of Germany provides only 14.5 percent, Canada only 6 percent, Italy less than 7 percent, other NATO countries considerably less.

Now the previous administration in 1977 established a 3-percent real annual growth in defense spending for all members of the NATO alliance. As I recall, all of the heads of the NATO countries met and they all agreed we were going to increase our defense spending 3 percent in real terms. In 1979 only five of the NATO countries met that goal. The same was true in 1980. It appears that 1981 will see no improvement on the part of some of our NATO allies. There is even some question about how some of them are keeping the books with regard to showing a real increase of 3 percent in spending.

Now I think every member of this committee is concerned that our allies pay a fair share of their own defense. The taxpayers of this country should not be burdened with an unfair proportion of NATO's defense costs. After all, if the Warsaw Pact countries and the Soviet Union decide to move into Western Europe, they move first through the Federal Republic of Germany before they get anywhere else.

COST-SHARING CONTRIBUTIONS OF NATO ALLIES

Would you outline our efforts to improve the cost-sharing contributions of our NATO allies?

Mr. **Fliakas**. Yes, sir, Mr. Chairman. I would like to ask Colonel Pfeiffer of our Office of International Security Policy to address that, and then maybe the rest of us will have something to add.

Colonel **Pfeiffer**. Mr. Chairman, your question is very well put. There is no question in our minds that we do look to the allies to do more. We think that they must do their part. We believe that NATO as a whole needs to strive harder. At the May meeting of the Defense Ministers in Brussels which Secretary Weinberger of course attended, and I commend him, they reaffirmed the standing allied commitment to the 3 percent annual real increase which you referred to in your question.

This real increase does mean more defense resources and they also recognize this emerging need to cope with the implication of contingencies outside of the NATO area. In addition at this May meeting, the member nations were urged to achieve as soon as possible additional force improvements beyond the 3-percent benchmark. We consider that a benchmark. This was a very difficult meeting in getting everyone to agree to this, but the fact is they have reaffirmed it.

But another point was added and that is that a major criterion for measuring the individual defense effort of each of our allies should be the total military contribution of that country. We should consider more than the improvements beign achieved by each country but also what the deficiencies are that remain and the degree of commitment to meet and implement their NATO foroce goals, their plans, their promises so to speak.

Utimately it means that we must provide the military capability to meet the defenses and the threat that was presented to you by Joint Staff. It does mean that NATO countries are going to have to meet these force goals. It means that they are going to have to improve their readiness in the field. It means that they are going to have to provide us with more reserve manpower. It means that they are going to have to provide us with other facilities for contingencies in Southwest Asia. It means that they must be able to receive reinforcement forces from North America. And it means achieving sustainability.

The point is here though Mr. Chairman, that each nation is going to have to spend more. This administration is working on this. They are committed to it. And the Alliance needs to get more out of what it is spending. The major theme of the meeting that Secretary Weinberger attended was this very subject, that we wanted to be sure that we identify these deficiencies and they would do something about it.

Now Secretary Weinberger has submitted to your committee the burden-sharing report on allied defense commitments. This is a classified report which provides a detailed analysis of all of the questions that you brought up to me just a few minutes ago. That has been supplied and it is entitled "Report on Allied Commitment to Defense Spending." We do not have an unclassified version of that report, but it does address by country the issues that you have set forth.

Senator **Sasser**. Thank you, Colonel. We will read that report with great interest.

I wish this administration good luck in getting our NATO allies to live up to their commitments. When I look at what is happening in Europe now with a socialist government in France, with the economic and social problems that are prevalent in the United

Kingdom and have dominated the front pages of our newspapers here for the past ten days and read of the economic difficulties the Federal Republic of Germany is having, I see that the new administration certainly has its work cut out for it in attempting to get out NATO allies to meet their 3-percent commitment.

But we are meeting it. These are not the best of economic times for the United States. All of you distinguished gentleman know that. So given that scenario, I wish the new administration well. I hope we can get them to meet their commitments.

Earlier this year the Washington Star printed an article which detailed some very disturbing deficiencies in the readiness of U.S. units which are dedicated to NATO. For instance in 1977 U.S. tank crews competing in a competition finished No. 6 out of the six nations that competed in NATO's most prestigious competition, a tank gunnery contest called the Canadian Army Trophy.

We went back to the drawing board and in 1979 we tried again with a better trained team of elite tank crews. We did a little better but we lost, coming in fourth out of five competitors. We were also bested in the armored cavalry competition.

I have just returned from summer maneuvers with the Tennessee National Guard at Camp Shelby, Miss. Some of their tank commanders down there were telling me that their National Guard tank crews outperformed tank crews of the Regular Army. This may be an idle boast of these commanders. But also there were some old self-propelled howitzer crews there. There was one colonel that commanded that howitzer regiment who was telling me that they routinely outfire the gun crews of the Regular Army. He made a very convincing case.

So if this report is true about our tank crews in Europe, it points to a condition which we cannot continue to tolerate. My question is what is your estimation of this problem? Is it training? Is it quality of our personnel? Is it the quality of our equipment? And why do we consistently fail to measure up in these competitions? How are we improving our capabilities? Or are we simply overreacting here to one story about not doing too well in the tank competitions?

Mr. **Fliakas.** General Groves is our senior military man here today.

Senator **Sasser.** I see we are passing the buck. [Laughter.]

General **Groves.** Mr. Chairman, I can answer this principal question you raise concerning the Canadian cup from experience up until about 2 years ago as Chief of Staff of the Army in Europe. I want to assure you that you have touched on a very raw nerve and a dilemma.

The raw nerve is that like my colleagues, I just hate to lose. Our business is not to lose; it is to win, always.

The dilemma is that like all competitions, this one has very restrictive rules. In this case they do not correspond very exactly to the way that we train our soldiers. Our soldiers have limited time, limited facilities, limited ammunition, limited funding. And we apply them to training in the way that in our opinion is most adaptable to preparing them for combat. That is our mission: combat readiness.

Table 9 at Graffenburg, if you ever get a chance to see it, sir, is the way we train and we think that is the best training for soldiers that have to go to war. It is nothing at all like the course you run in the Canadian cup. The artificialities of the Canadian cup competition and others like that face us with a real problem. It is a difficult choice. We can either train for the competition or we can train for our mission which is combat readiness.

As a general rule, we emphasize training our soldiers for war and we take our chances with the cup. I suppose we will keep on doing that. I know there is a temptation to either: One, quit; or two, train for the cup. Most people like me think that either of those is an undesirable choice.

But to get at the real thrust of your question I believe, overall we are confident, sir, that our equipment is as good or better than any other equipment presently in the field. Our crews are good. They are well trained. They are trained to do their job which is killing enemy tanks.

I know this sounds like an excuse for not winning and it is getting very frustrating, particularly when you talk about the reserves. The last time I had anything to do with this, a few years ago, a crew from the Dutch Army Reserves won the cup. Let me assure you sir, that you are absolutely right in your assessment of the Guard and the Reserves. They are good. They have a great advantage over the Regular Army. They have a degree of stability that we do not have. I think that more than anything else is the difference. The quality of the people, one to the other, is generally the same.

Mr. **Fliakas**. If I might inject something, I am reminded from the Air Force incidentally that the F-16 did win the bomb competition in the United Kingdom recently. So we were not outdone there.

Again to give the Air Force its due and in this case in a negative way, when I was talking earlier of the deplorable condition of the Army installations I used them as an example. The Air Force also has a companion type of a program that is not in the magnitude of the master restationing plan but certainly the collocated operating bases in the theater are very, very critical to the operation of the reinforcement aircraft for the Air Force. So I do not want to, by using the Army as an example, neglect any of the other service needs.

Certainly we commend to you the entire budget which includes the other services as well.

General **Groves**. May I say one thing, sir, in extension to what Mr. Fliakas just said?

Senator **Sasser**. Yes, sir.

General **Groves**. Going back to your question, one notion you might derive from exhorting our allies to do more is to do more for us. This is a very dangerous trap which confronts me and others who are working on trying to get to discussing the master restationing plan, because to some Germans it must appear that we are trying in the name of 3 percent or more to pass to them our maintenance deficiencies, trying to pass to them the neglect that we have discussed.

The problem is this, sir. Under the Status of Forces Agreement and the supplementary agreements that flow from it we have an agreement that says that we are responsible for maintenance.

When we talk about them doing more, we have to avoid the temptation of having them do more and pay for things that we have already agreed to do.

FORT IRWIN, CALIF., TRAINING CENTER

Senator **Sasser**. Will our units in Europe make use of a new training center at Fort Irwin, Calif.?

Mr. **Fliakas**. I will ask General Delbridge of the Army to reply.

General **Delbridge**. Sir, I am General Delbridge, the Assistant Chief of Engineers.

No, sir, it is not envisioned that forces in Europe will use the National Training Center. The forces throughout the United States periodically, about once every year to 18 months, by battalion size will be rotated from our tactical divisions into Fort Irwin for a 2-week period at a time.

SUBCOMMITTEE RECESS TO EXECUTIVE SESSION

Senator **Sasser**. Thank you, gentlemen. This concludes the unclassified portion of the hearing. In order to discuss issues before this committee which are classified, I will now make a motion that the committee move into executive session. Without objection I will declare this hearing closed and ask all unauthorized personnel to please leave the room.

[Whereupon, at 3:50 p.m., the subcommittee proceeded in executive session.]

[Executive Session]

TUESDAY, JULY 14, 1981

The subcommittee proceeded in executive session at 3:53 p.m., in room 1223, Everett McKinley Dirksen Office Building, Hon. James Sasser presiding.

Present: Senator Sasser.

DEPARTMENT OF DEFENSE

INSTALLATIONS AND HOUSING

STATEMENT OF PERRY J. FLIAKAS, DEPUTY ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND HOUSING)

ACCOMPANIED BY LT. GEN. RICHARD H. GROVES, U.S. ARMY, DIRECTOR, EUROPEAN AND NATO AFFAIRS, OFFICE OF INTERNATIONAL SECURITY POLICY

Senator **SASSER**. The subcommittee will come to order.

On July 10 the Washington Post outlined much of the master restationing efforts in a page 1 article, which you alluded to a moment ago. General, I do not know, sometimes I think we ought to turn all of our intelligence-gathering activities over to the Washington Post. They seem to be really in the know.

But I was disturbed to read that the chairman of the West German Joint Chiefs of Staff has recently raised questions with Secretary of Defense Weinberger concerning the advisability of proceeding with the master restationing plan. Tell us, if you will, what the West German objections appear to be and let us know the status of these ongoing negotiations.

General **GROVES**. I hope there [deleted].

My answer to that has been that the German situation does not apply to us because we occupy large numbers of facilities whose economic life has expired. The Germans occupy large numbers of facilities which have a great deal of remaining ecomonic life. It does not make sense to walk away from them. On the other hand, in our case, we must have major rebuilding. We might as well do it at the right location.

[Deleted].

Senator **SASSER**. What is the projected total cost of the proposed master restationing plan?

General **GROVES**. Sir, we have curtailed our [deleted]. We are talking about three associated things. The master restationing plan is the crux of it. [Deleted].

In the end, theoretically, the master restationing plan produces vacant facilities which are available to be disposed of as an offset to the cost of new facilities. So theoretically in the end we should be somewhere close to a wash. We should come out more or less even.

[Deleted].

To answer your question then, sir, theoretically the net differential costs to both governments should be about zero. But there will be a period when both of us will probably have to budget considerable sums of money.

Senator **Sasser**. It is going to be a wash because we offset the old facilities when we receive those against the cost of the new facilities?

Mr. **Fliakas**. We would turn them back to the Federal Republic.

General **Groves**. In theory we are vacating basically urban areas, with theoretically high real estate values. We are moving out into the countryside where things are theoretically cheaper. That should produce a wash.

Mr. **Fliakas**. A very good, perhaps not direct analogy, but at least a comparison is what the United States received in the Tokyo area when we consolidated at the cost of the Japanese Government into places like Yokota Air Force Base and Okinawa as part of the Okinawa convention, which provided us outstanding new construction at those bases. We in turn then vacated properties that we occupied in the greater Tokyo area that were coveted by the Japanese.

[Deleted].

Senator **Sasser**. [Deleted].

General **Groves**. [Deleted].

Mr. **Fliakas**. [Deleted].

Senator **Sasser**. Thank you very much.

I want to thank all of our witnesses for providing us today with some very important information. Hopefully our subcommittee will be able to mark up the fiscal year 1982 bill in early to mid-September.

SUBCOMMITTEE RECESS

The subcommittee will now stand in recess until Thursday, July 16 at 10 a.m., when we will meet in executive session and receive testimony on the construction program in support of the Rapid Deployment Force.

Thank you.

[Thereupon, at 4 p.m., Tuesday, July 14, 1981, the subcommittee was recessed to reconvene at the call of the Chair.]

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